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14 March 1985

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BURMA

BRIEFS

ARMY VICTORY IN MAW HPA--On 5 February, the People's Army repulsed an attack by the military government's mercenary 107th Light Infantry Regiment in Pangwo and (?Hkamhseng) of Maw Hpa region. The enemy fled in disarray, leaving three of their dead behind. Six enemy soldiers were killed and more than 40 others, including mercenary captains, were wounded in the battle. The People's Army captured 1 carbine, 1 G-4, 12 (DA-80) shells, M-79 ammunition, and other military supplies. [Text] [(Clandestine) Voice of the People of Burma in Burmese 0030 GMT 17 Feb 85]

SOLDIERS KILLED IN AMBUSH--Combat news of the combined force of the People's Army and the Shan State Nationalities Liberation Organization [SSNLO]: On 8 February, a combined force of the People's Army and the SSNLO ambushed the military government's mercenary army near (Tangza), between Hopong and Mong Pawn. The attack destroyed an enemy military truck, killed 10 enemy soldiers, and wounded 27 others. Captured from the enemy were 3 carbines, 5 G-3's, 2 G-4's, 1 sten gun, and more than 1,000 rounds of carbine ammunition. [Text] [(Clandestine) Voice of the People of Burma in Burmese 0030 GMT 20 Feb 85]

THIRD PEOPLE'S ASSEMBLY CONVENES--The State Council, after consultation with the Panel of Chairmen of the People's Assembly, has summoned the Third People's Assembly to meet in Rangoon for its eighth session on 18 March 1985--the 13th waning moon of Tabaung, 1346. This was announced in State Council notification No. 1/85 issued today. [Text] [Rangoon Domestic Service in Burmese 0630 GMT 18 Feb 85]

CSO: 4211/39

CAMBODIA

INDUSTRY DEVELOPMENT IN BATTAMBANG

BK131705 Phnom Penh SPK in French 0416 GMT 13 Feb 85

[Text] Phnom Penh, 13 Feb (SPK)--The border Province of Battambang, 300 kilometers northwest of Phnom Penh, is developing remarkably in the field of industry and handicraft.

After national liberation, the province began efforts to put seven enterprises, destroyed under the Pol Pot genocidal regime, into service. Last year, the jute sack factory at Don Teav achieved 5 percent more than its production plan. The provincial textile plant achieved an increase of 18 percent over its plan in the production of cotton thread and 4 percent over the plan for the production of mosquito nets, without taking into account over 52,000 meters of cloth. The output of these products doubled that of 1983.

The production of chemical fertilizer increased by 5 percent over its annual plan. The electric industry and provincial sawmills completely covered local needs. A total of 600 metric tons of lime was also produced in the same period.

The weaving handicraft of this province sold more than 100,000 scarfs to the state last year.

It is also necessary to note that the sugar and cigarette plants contribute to the income of the province, which was 168 percent more than the expenses last year.

CSO: 4219/40

INDONESIA

CANDIDATES REFUSE INVITATION OF SYARIFUDDIN

Jakarta MERDEKA in Indonesian 21 Dec 84 p 1

[Text] Jakarta, Thursday--It is likely that personnel of the "rival" Central Executive Council, United Development Party (DPP PPP) which was arranged by Syarifuddin Harahap Cs [and friends] will not be made public by 22 December as had been promised, because persons contacted to sit in the "rival" DPP refused, reported a MERDEKA journalist quoting explanations from several United Development faction members in Parliament.

According to these FPP sources, the candidates refused because they judged the program and strategy of Syarifuddin Harahap Cs as unclear and even against the law.

As has already been reported, following the crisis within the body of the DPP PPP, Syarifuddin Harahap and Badrut Tamam Achda discussed organizing a "rival" DPP PPP which was referred to as "revamping personnel of the DPP PPP as a result of Congress I."

Those contacted by Syarifuddin and Tamam Achda were mostly persons who have felt dissatisfied with results of PPP Congress I decisions and persons consistently opposing policies of H. J. Naro on account of his actions.

According to FPP DPR sources who did not want to give their names, to break the stronghold of H. J. Naro, Syarifuddin Cs used several tactics. First, perfecting the party constitution and bylaws resulting from the Congress, following its programs. If this step were accepted by competent authorities, then they would ask permission for an extraordinary Congress. Two, if the first step could not be put into practice, they would be forced to form a rival DPP.

"However, the steps of Syarifuddin Cs to this point have not found support from PPP figures who previously were judged as willing to support," said MERDEKA's source.

Moreover, there are those who feel the policies of Syarifuddin violate the organization's code of ethics and existing rules and regulations.

12836  
CSO: 4213/132

INDONESIA

### ACHDA DEMANDS DPP-PPP APOLOGY

Jakarta PELITA in Indonesian 21 Dec 84 pp 1, 6

[Text] Jakarta, PELITA--Vice Secretary of the United Development Faction (PPP) of Parliament, Republic of Indonesia, Dr H. B. Tamam Achda, said, in agreement with the opinion of Minister of Internal Affairs Soepardjo Rustam, that what is currently occurring in the body of the PPP forms an internal problem. He also indicated the possibility of internal conflict resolution within the PPP if the United Development Party Central Executive Council immediately apologizes openly to the entire PPP membership, the Government and all Indonesian people.

This statement by Achda was given in Jakarta Thursday with regard to the Mendagri's concern which was expressed to the press about recent PPP developments. As a matter that all Indonesian people, particularly PPP members, feel, Achda called the Mendagri's concern natural, bearing in mind that he is a builder of stability in political life within the country.

### Unlawful

According to this DPR-RI member who was recently dismissed by the General Chairman of the DPP-PPP, Dr H. J. Naro, from his position as a board member of the DPP-PPP, in addition to the open apology, the DPP should immediately acknowledge that the results of PPP Congress I at Ancol, which concerned the problem of consolidation of ideals such as the constitution and bylaws and the Party Struggle Program, are not valid under law because they are contrary to decrees of the People's Consultative Congress and Law No 3/1975.

### In Jeopardy

On the other hand, it is said, that although what is now occurring within the PPP is an internal problem, nevertheless, the subject matter of the conflict within PPP is linked to political characteristics and attitudes of the DPP which jeopardize the national interest.

"I think it quite proper if all sides look at PPP problems this time as a national problem and consider the national interest, especially in the area of political development and national ideology," he said.

He explained that what he had done, along with his friends, in connection with the PPP problem was nothing else but to align the path of the party with national standards.

#### Arrogant

Concerning the conflict now occurring within the PPP body, Achda said there has always been internal conflict within the PPP. These conflicts are results of characteristics and viewpoints of leadership within the PPP which are arrogant and not consistent with national standards which are none other than the Five Pillars, the Perspectives of the Course of the Nation, the National Constitution and existing rules and legislation.

He underlined and emphasized in accordance with existing legislation. "This means the existence of political parties and Golkar have to be completely in line with Pancasila, UUD 1945, and existing legal provisions, internally and externally, not in outward appearance only," he said in clarification.

#### Secretive

Finally, H. B. Tamam Achda invited all sides to face firmly all actions and steps of bureaucrats who enjoy acting in a secretive manner along with displaying characteristics which are ambivalent towards Pancasila and UUD 1945.

12836

CSO: 4213/132

INDONESIA

SYARIFUDDIN, ACHDA EXPELLED FROM PPP

Jakarta MERDEKA in Indonesian 29 Dec 84 pp 1, 12

[Text] Jakarta, Friday--Syarifuddin Harahap and H. B. Tamam Achda, as of last 18 December, were dismissed from membership in the United Development Party, reported a MERDEKA journalist today.

The dismissal of the two men mentioned above was contained in the Executive Order, Central Executive Council, United Development Party No 673/KPTS [decision]/DPP/XII/1984 dated 18 December and signed by General Chairman H. J. Naro and Secretary General Mardinsyah.

The basis for the expulsion of the two men from PPP membership, according to the preamble of the Executive Order, was, among others, that the recent dismissal from positions as Vice Chairman, MPP [executive council] and Chairman, Department of Foreign Relations/Member, DPP Plenary session for Syarifuddin and Achda, respectively, turned out not to stimulate them to recognize their mistakes and did not prompt them to correct themselves.

It was also said that actions of the two men, both from the time before they were put under sanctions and afterwards, were contrary to discipline and undermined decisions of Congress I, the constitution and bylaws of the party, as well as undermined legal party policy lines, with results that placed in jeopardy good internal political stability and also the national interest.

Therefore, to guard the above mentioned political stability, maintain the discipline of the organization and to abide by the good name and dignity of the party, the DPP PPP decided to dismiss Syarifuddin Harahap and H. B. Tamam Achda from their respective party memberships.

The DPP PPP Executive Order dismissing the two men was based on a decision of the DPP PPP conference of 26 November, which was attended by MPP members and leadership of the United Development Faction from Parliament.

With the dismissal of the two men, from both their party positions and membership, the persons concerned no longer have the right to hold positions within the party or to represent the party in any position.

Syarifuddin Harahap and H. B. Tamam Achda have also been FPP members in the DPR during this time. As a logical consequence of their dismissal from party membership, the two also no longer have the right to represent the PPP in the DPR.

MALAYSIA

SUPPORT EXTENDED TO AFGHAN RESISTANCE

Penang THE STAR in English 4 Feb 85 p 12

[Text]

MALAYSIA has allowed itself to become the voice of the Afghan Mujahiddeen struggling against communist oppression in their homeland — an indication of the Government's pragmatic foreign policy of backing words with deeds.

While many countries, including some Islamic nations, only voiced their objection to the Soviet occupation of Afghanistan, the Government offered Kuala Lumpur as the point for global distribution of news on the Mujahiddeen struggle.

A telex link between the Federal capital and Peshawar in Pakistan, where the freedom fighters have their headquarters, facilitates the channelling to Kuala Lumpur of all reports on the war.

Malaysia had helped to establish this communication link.

And this after having allowed the Afghan Mujahiddeen to open an office in Kuala Lumpur and becoming the only nation to grant official recognition to the freedom fighters in this way.

"We've got the most reliable, and updated news from the battlefield coming down here from where the world is kept informed of our struggle to kick out the Soviet troops from Afghanistan," says Mujahiddeen representative in Kuala Lumpur, Haji Mangal Husain.

He says the news is sent to the other Mujahiddeen offices, in Australia, Sudan,

Kuwait, Saudi Arabia, Britain, West Germany, France, Turkey and Iran.

Reports are also sent to local and foreign news organisations, like the BBC and Voice of America, to keep them informed of the "actual situation," he adds.

The interview with Haji Manggal was interspersed often with praises for the Malaysian Government, particularly for its gesture in allowing the Mujahiddeen to set up an office in Kuala Lumpur.

"It was unprecedented," says Haji Manggal, recalling the historic speech by Prime Minister Datuk Seri Dr Mahathir Mohamad at the Ghazi Afghan refugee camp in Tarbela, some 100km from Islamabad, last year.

The Prime Minister had announced to the thunderous applause of the refugees: "The Malaysian Government accepted wholeheartedly the application by the Mujahiddeen to set up its office in the Malaysian capital... Malaysia will continue to be together with the Afghan people in their efforts to free their country of the communists."

Following this, Umno youth agreed to grant office space at the Wisma Datuk Dagang in Kampung Baru for the Mujahiddeen.

It is understood that Wisma Putra, which helps maintain the three-room office cum apartment of the Mujahiddeen representative, is looking into providing a more spacious office.

Malaysia's concern for

the Afghan plight is understandable as it is itself faced with the threat of the communists, who at one time carried out a bloody insurrection.

"The Afghan people's fight against the Soviets can be likened to Malaysia's combat against communism and we should consider their suffering as part of ours," says Umno Youth chief Encik Anwar Ibrahim.

Malaysian youths should emulate the attitude of the Mujahiddeen who are convinced that they will succeed in their struggle to regain independence and freedom, he says.

Recently, the Malaysian Government launched a special fund for the Afghan refugees.

Known as the Afghanistan Refugees Humanitarian Aid Fund Account, it will be mainly used to provide non-military assistance.

As a result of the recent tense fighting in Afghanistan, there has been an upsurge of sympathy among Malaysians for the Afghan refugees and Mujahiddeen fighters, said Deputy Foreign Affairs Minister Abdul Kadir Sheikh Fadzir when he launched the fund recently.

The Malaysian Muslim Welfare Organisation (Perkim) has donated \$1,650, the first contributor to the fund. Donations will continue to be accepted by the secretary-general of the Ministry of Foreign Affairs.

Health care for the sick and wounded in the over-

crowded refugee camps is also a special challenge faced by countries accepting the refugees, particularly Pakistan.

This triggered Malaysia to donate four million pills for the treatment of tuberculosis and 250,000 tranquilliser tablets to the Pakistani authorities.

In another move by the Malaysian Government, five students whose fathers are Afghan Mujahiddeen have been offered places to study at the International Islamic University in Kuala Lumpur.

One of them, Sayed Anwar, lost all five fingers of his right hand while fighting Soviet troops at the Badakh Shan region in Afghanistan.

While efforts to help the Afghan Mujahiddeen are being carried with added vigour in Malaysia, there is no let-up in the struggle to regain freedom and independence in Afghanistan.

And, in the international arena, the search continues for a negotiated settlement that will provide the essential requirements enunciated in four United Nations resolutions on Afghanistan: total withdrawal of Soviet troops, self-determination for the Afghan people, independent and non-aligned status of Afghanistan, and the return of the refugees in safety and with honour.

As a booklet on the Afghan struggle says: "The people of Afghanistan ask no more; the world community can demand no less." — Bernama.



MALAYSIA

PHILIPPINES URGED TO DROP SABAH CLAIM

Kuala Lumpur NEW STRAITS TIMES in English 2 Feb 85 p 3

[Text]

**KOTA KINABALU, Fri.** — The Philippine claim over Sabah should be dropped once and for all, Chief Minister Datuk Harris Salleh said today.

"Statements over the years from Philippine leaders that the claim has been dropped are not enough. They must be followed with the necessary action to resolve the issue," he told a group of Kuala Lumpur-based and foreign journalists at the Berjaya Party headquarter here.

A Manila-based journalist had asked the Chief Minister what he thought the Philippine Government should do to settle the issue.

**Refugees**

Datuk Harris said that Manila knew best how to go about resolving the claim but so far "we have only heard statements from them".

"The sincere feeling of the people of Sabah is that the claim should be resolved once and for all," Datuk Harris added.

"Sabah has no problems at all with the Philippines except on that one point (the Sabah claim)."

The Chief Minister said that the Filipino refugee problem in the State was under control, thanks to the efforts of the United Nations High Commission for Refugees (UNHCR).

There are an estimated 100,000 Filipino refugees in Sabah. — Bernama

CSO: 4200/486

MALAYSIA

MASTER AGRICULTURAL PLAN FOR SABAH ANNOUNCED

Kuala Lumpur NEW STRAITS TIMES in English 2 Feb 85 p 3

[Text]

**KOTA KINABALU, Fri.** — Sabah Chief Minister Datuk Harris Salleh today announced a \$5 billion master plan to develop 600,000 hectares of land for export-oriented agro-based projects spread over 15 years.

The projects covering reafforestation, cocoa, oil palm and downstream industries are in various stages of study in a concerted effort to eradicate poverty and turn Sabah into a more significant contributor to the national economy.

"Sabah now contributes less than 20 per cent of Malaysia's total export earnings and by the year 2000 we hope to play an even more important role in the nation's economic well-being," he said.

Datuk Harris said that discussions were being held between the World Bank and the Federal Government for funds to cultivate another 200,000 hectares of land with fast-growing forests.

Datuk Harris was speaking to a group of Kuala Lumpur-based and foreign journalists who were here to cover the conference of South-East Asian central bank

governors which ended today.

As an agriculture-based State with 2.4 million hectares of arable land yet uncultivated, Sabah had opted for more aggressive agricultural programmes to take care not only of the poverty problems but the population growth which was expected to double by the year 2000, he added.

Datuk Harris acknowledged that although the State's poverty rate had come down to 29 per cent from 41 per cent in the mid-1970s, the poor Sabahans were relatively among the poorest in the country.

## Projects

Citing an example, the Chief Minister said that the Kudat district was the most poverty stricken area in the country.

The State Government, therefore, had to exploit its vast land resources rather than go for high-technology industries because he said "you cannot develop the State while the people are still left behind."

Datuk Harris said that the cultivation of man-made forests would be given a big boost with the

commissioning of the \$1.4 billion pulp and paper mill by early 1987.

The project in Sipitang will draw its raw materials both from natural and man-made forests and could produce 120,000 tonnes of printing paper to meet demand, especially of the Asean region.

He said the Sarawak Government had agreed in principle to take part in the project as the project site was close to the Sarawak border, while the Islamic Development Bank might also be invited to invest.

About 40 per cent of civil works on the project had been completed.

Datuk Harris also said that the hot briquetted iron (hbi) and the methanol plants in Labuan, both gas-related industries which went into production recently, were expected to earn about \$500 million a year which was sufficient to cover the operational costs and interests on loans for the projects.

About 70 per cent of the \$2.5 billion investments pumped into the projects was in the form of loans.

Datuk Harris also announced ambitious plans to attract the tourist dollar into the State, with

three major tourist resort projects now on the drawing board.

One such project would be developed by a Japanese group and the other would be a joint-venture between American, Filipino and local interests.

The third project being planned is the development of a 200-hectare island by the Club Mediteranee group.

Feasibility studies had started on the projects which would involve investments estimated at between \$2 billion to \$3 billion within 10 to 15 years.

"In view of the present mood of the Federal Government to go into tourism development in a big way, I hope that necessary steps would be taken to facilitate the plans we have in mind," he added.

Datuk Harris spoke of the need for more regional and international airlines to be granted landing rights in Sabah to cater for the anticipated increase in the tourist flow.

Among the plans he envisaged to attract tourists was a cable car project linking Mt Kinabalu, South-East Asia's highest peak. This would cost about \$25 million. — Bernama

MALAYSIA

EAST GERMANS STUDY FORESTRY VENTURE

Kuala Lumpur BUSINESS TIMES in English 31 Jan 85 p 24

[Text]

EAST Germany is studying a proposal by Malaysia to jointly develop reafforestation programmes in the country and also the possibility of providing technical expertise in integrated farming and rural agriculture programmes.

This offer was made by the visiting East German Deputy Foreign Minister, Mr Gerd Koenig, during his hour-long meeting with Deputy Primary Industries Minister Megat Junid Ayub in Kuala Lumpur yesterday.

Megat Junid told reporters after the meeting that Mr Koenig gave the assurance that his country was prepared to help Malaysia in large-scale reforestation programmes.

He said East Germany had a lot of expertise in modern forestry and agricultural techniques and was prepared to provide aid in this direction if it was needed.

"Malaysia welcomes this offer because of the depletion of forest reserves and is carrying

reafforestation on a large scale."

Megat Junid explained that Malaysia was experiencing a depletion rate of 250 hectares annually because of logging and farming activities.

Malaysia, he said, has 6.4 million hectares of forests and if the felling rate were at 250 hectares a year, the country may not have forests in about 25 years from now.

Megat Junid said his Ministry had directed all forestry departments to implement reforestation programmes on an intensive scale.

In addition, the Forest Research Institute in Kepong is conducting studies on the possibility of cultivating Manau cane in the reforestation programmes to make it an export item in about seven to eight years.

Referring to East German technical aid, Megat Junid said that country was keen to sell its heavy equipment and machinery and was studying an offer by Malaysia to pur-

chase these through counter trade.

He said if East Germany agreed to Malaysia's suggestion for the above items, the counter trade would be expanded to include other trading activities.

During his discussion with Mr Koenig, he also invited East Germany to invest in this country, particularly in the construction of highways, dams, water treatment and fertiliser plants.

He said Mr Koenig gave the assurance that he would study how the trade imbalance between the two countries could be corrected and how direct trade could be boosted, especially in rubber and palm oil.

Figures show imports of rubber by East Germany from Malaysia dropped from \$23 million in 1980 and \$19.8 million in 1981 to just \$4 million in 1983, while imports of palm oil fell from \$4.3 million in 1978 to \$2.1 million in 1983. — Bernama ES

CSO: 4200/486

NEW CALEDONIA

NEW CALEDONIA-POLYNESIA ALLIANCE ESTABLISHED

Port Moresby PAPUA NEW GUINEA POST COURIER in English 8 Feb 85 p 1

[Text]

**NOUMEA:** An alliance will be signed within a week between two of France's Pacific territories, New Caledonia and Polynesia, according to official sources.

Polynesian Premier Gaston Flosse was due in Noumea yesterday for a week's visit during which a draft alliance will be signed

with New Caledonian Premier Dick Ukeiwe.

The territorial assemblies in Noumea and Papeete have already approved the draft alliance which is aimed to set up a "French Pacific region." Membership will later be offered to France's third Pacific territory, Wallis and Futuna.

The alliance will "defend and protect com-

mon interests of these territories in political, economic, social and cultural spheres."

The two premiers will meet at least four times annually.

Their joint secretariat will "make contact in the name of the alliance with other Pacific States to strengthen ties in order to bring about a rapprochement of all peoples in the Pacific region."

Steps will be taken to develop regional economy, especially tourism, agriculture and aquaculture.

New Caledonia is currently faced with a campaign by militant Kanaks for immediate independence. Some extremists are threatening to expel all French.

A standing committee, composed of territorial ministers and local elected officials, will study proposals made by the two premiers.

New Caledonia has a population of 135,000 and an area of 19,000 square km; French Polynesia has 137,000 inhabitants with an area of 4000 square km; Wallis and Futuna comprises two groups of islands with a surface area of under 300 square km, and 10,000 inhabitants.

CSO: 4200/489

PHILIPPINES

JOSE MARIA SISON ENDORSES OPPOSITION ROLE IN ELECTIONS

Quezon City ANG PAHAYAGANG MALAYA in English 23 Jan 85 pp 1, 2

[Text] Jose Ma. Sison, tagged by the military as the chairman of the Communist Party of the Philippines, has endorsed opposition participation in the polls, saying the objective conditions have changed because of the country's worsening economic and political crises.

Far from abandoning the opposition call for meaningful elections, Sison said the polls will be a means to expose the alleged "anti-national and anti-democratic character" of the Marcos government.

"The elections are an occasion to further isolate the Marcos dictatorship and strengthen the democratic forces, including the revolutionary forces, which can go on ventilating the fundamental issues," Sison stressed.

The views of the alleged CPP chieftain, in solitary confinement for 7 years at an undisclosed military detention, were stated in an interview conducted by the Philippine News and Features through intermediaries last week.

The position of the left, which urged a boycott of the May 14 Batasan polls last year because it considered them a "sham," comes amid speculations that snap presidential polls may be held this year because of the slipping health of President Marcos.

The ruling Kilusang Bagong Lipunan had earlier decided in caucus the calendared local polls of 1986 and the presidential polls of 1987 would be held as scheduled.

The stance by the ruling party was endorsed by President Marcos, who said there was no reason to "upset the Constitutionally mandated" schedule of the local and presidential polls.

Admitting the potential role of the legal opposition in the "further weakening of the Marcos government," Sison said that through the local elections "they (opposition) are likely to contribute significantly to the defeat of the fascist puppet clique by coordinating their electoral struggle with the other forms of mass struggle."

Sison noted the growing "isolation of the Marcos clique because of the worsening political and economic crises" in the Philippines.

He predicted the KBL would "surely lose in both local and presidential elections" if poll frauds and terrorism are minimized. But if the ruling party won through "fraud and terror," Sison warned, the "desire for armed revolution will grow stronger among the people."

Sison said the legal opposition, if it wins, "will have to adopt fundamental policy changes, if it is to come to terms with the revolutionary organizations."

He further said that the opposition will have to deal with the "grave problems left by the Marcos autocracy."

Turning his attention to the segment of the opposition which boycotted the May 1984 polls, Sison said the boycotters shall not have abandoned their call for meaningful elections if they participate for as long as they continue "condemning the evil character of the regime" and the unjustness of present electoral rules and procedures.

It is wrong to conclude, Sison said, that those who opted to participate were correct and that those who boycotted were not.

"The boycotters were not wrong in making just and reasonable demands concerning the elections," he said. He added that the participation of those who boycotted would not have changed the election results.

Some of the country's leading opposition figures led a boycott of the Batasan polls after the Marcos government failed to meet opposition demands geared at minimizing poll fraud and terrorism.

Former Senators Lorenzo Tanada and Jose Diokno, joined by Butz Aquino, brother of slain opposition Leader Benigno S. Aquino, Jr, spearheaded the boycott campaign, although turnout at the polls was considered massive.

He believes the elections will not affect the armed revolution being waged by the New People's Army, the military arm of the Communist Party of the Philippines, because elections are a periodic thing that do not by themselves give any profound lasting answer to the fundamental and democratic demands of the Filipino people!

Sison considers elections as merely one of the legal forms of struggle which are subordinate and auxiliary to the militant mass struggles as well as the mass organizing being conducted by various organizations.

Sison added that the CPP has the capacity of influencing and determining the results of the elections in many parts of the country.

CSO: 4200/496

PHILIPPINES

REPORTAGE ON GOVERNOR RABAT'S ASSASSINATION PLOT CHARGES

Ex-Governor, Newspaper Involvement Alleged

Davao City PEOPLE'S DAILY FORUM in English 19 Jan 85 pp 1, 8

[Text] Former Gov Leopoldo Lopez and vice-governor Emilio Dayanghirang and three others including a daily newspaper have been exposed as behind the plot to assassinate Gov Francisco Rabat of Davao Oriental.

The other accomplices of Lopez and Dayanghirang in the plot to kill Gov Rabat are two former military officers, Lt Col Salvador Sayson and Captain Gil Taojo of the Davao Oriental PC command.

A news reporter of the People's Daily Forum who requested anonymity was also linked to the mission to kill Rabat.

In a letter to Brig Gen Dionisio S. Tan-Gatue, Jr., regional commander of the PC-INP RECOM XI in Camp Catitipan, Davao City, Rabat said that the plot to kill him was unearthed recently and this has compounded his problems and worries especially with the present worsening peace and order condition in Davao Oriental.

Rabat said that the sinister plot which he had gathered from reliable sources was confirmed to have been concocted and instigated by the group composed of Ex-Gov Lopez, his incumbent vice-governor, Dayanghirang, Lt Col Sayson and Captain Taojo and a Forum news reporter.

Rabat revealed that the plan is to link him with a certain Abubakar Bautista Karsolo alias Kapitan Inggo and the death of Mandug Barangay Captain Alex Orcullo to condition the minds of the people and members of the New People's Army about his involvement and make him the sitting target of the ire of the latter, through newspaper reporting and manipulation, a task which was assigned to a news reporter of Davao Oriental through the pages of the People's Daily Forum.

Rabat said that Dayanghirang, on the other hand, will handle the publications of news through the People's Daily Forum and the radio. The implementation of the liquidation scheme will be undertaken by Sayson and Taojo through the hired services of members of the lost command and some members of the military who have remained members of the disbanded "El Diablo" who now call themselves as "guardians."

"Since the plot has some political color in view of the existence of very apparent motives on the part of my political enemies more particularly, vice-governor Dayanghirang, whose case is still pending in court, his automatic assumption of office as governor should be eliminated, I appeal to the good General that immediate steps be taken by the command to relieve members of the El Diablo assigned in Davao Oriental PC command," Rabat said.

The governor also added: "I am further requesting your good office to make clarifications as to the status of Salvador Sayson and Gil Taojo, more particularly Sayson who is not only utilizing to the fullest his military rank but also brandishing his high-powered weapons with his equally armed companions in the town of Mati, more particularly at barangay Don Enrique Lopez where people are threatened, physically harmed, thus sowing fear among the people."

Rabat said that what aggravates the act of said persons who claimed to be military officers is that they have also created agrarian problems and unrest especially on the properties adjoining the Lopez properties where due process of law are totally disregarded by the use of the sheer power of the gun.

"Are these groups really untouchable, such that even the military has become practically inutile and unmindful of the reports already submitted (to them)?" Rabat asked in also taking a dig at the PRC.

Rabat expressed the hope that Tan-Gatue will do his best to relieve the governor and his people of the problems "we are presently facing so that we can enjoy the peace and tranquility of a more prosperous and peaceful province of Davao Oriental."

Rabat also informed the general that he has submitted the same report to President Marcos and to higher military headquarters "with an urgent request for whatever appropriate action they may deem necessary or proper to take" against those who want to kill him.

#### General Tan-Gatue Rebuts Rabat

Davao City PEOPLE'S DAILY FORUM in English 22 Jan 85 pp 1, 8

[Article by Dol Onez]

[Text] PC RECOM XI Commander and INP director, Brig Gen Dionisio S. Tan-Gatue, Jr., has reputed Davao Oriental governor Gov Francisco Rabat's written report on the alleged plot to liquidate him by some members of the military.

In his rejoined to Rabat's perplexive tirade, Brig Gen Tan-Gatue also informed Rabat that based on their investigations conducted there are no armed men or members of the so-called "lost command" in Panombon, Mati, nor even in the entire Davao Oriental province.



Gen Tan-Gatue also said "please be informed that as shown by our records, both Lt Col Sayson and Capt Taojo have been long separated from the military service. Capt Taojo resides with his family in Mati while the presence of Lt Col Sayson in the area is still being investigated although initial reports state that he is employed as farm manager and security officer of Mrs Flordeliz Lopez Inigo."

Gen Tan-Gatue directed the Davao Oriental PC/INP Commander to effect all necessary actions to be undertaken to ensure peace and tranquility of the province. "For as long as it is not for the singular interest of one individual, please be assured of my personal cooperations," Gen Tan-Gatue added.

RECOM XI commander's succinct, but witty reply was made following Rabat's ambivalent communication sent last January 2 to Camp Catitipan. Rabat's letter contained a run-down list of allegations, including a liquidation plot to be carried out by some members of the military who are erstwhile members of the Diablo Squads.

Meanwhile, former Davao Oriental governor, Polding Lopez, incumbent vice-governor, Emilio Dayanghirang, Jr., including two former PC officials, Lt Col Sayson and Capt Taojo, a local scribe of the People's Daily Forum yesterday heavily assailed Davao Oriental governor Rabat for unjustly linking them in the alleged plot to liquidate him.

The same group branded Rabat's letter to Gen Tan-Gatue which is the first in 1985 and the fourth letter since 1984 as "red herring." Another deceptive maneuver aim to muddle the minds of the people of Davao Oriental.

Lt Col Sayson and Capt Taojo, including some military men in the province during an interview also denounced Rabat's letter to Gen Tan-Gatue as an act of a demagogue.

Vice-governor Emilio Dayanghirang, Jr., also criticized Rabat as a vindictive mudslinger who does not stop making razzle-dazzle against all persons who are deterrents to his alleged questionable operations in the province until they are completely annihilated.

A group of constabulary soldiers in the province who were also linked by Rabat in the alleged plot to liquidate him described the statement as repugnant and obtrusively silly.

Rabat stressed in his letter that "the implementation of the liquidation scheme will be undertaken by Sayson and Taojo through the hired services of the members of the lost command and some members of the military."

Many keen neutral observers including some professional quarters in the province tagged Rabat as a good "fiction writer." He can make real fantasy appear alive and kicking by writing with proper syntax. On the other hand, they said, it is a crystal clear sign that he is politically insecure these days.

CSO: 4200/523

PHILIPPINES

OPLE: WILL TO RESIST COMMUNISM 'IS BREAKING DOWN'

HK230553 Manila BUSINESS DAY in English 22 Feb 85 p 12

[Text] Labor Minister Blas F. Ople said yesterday there are signs the national will to resist communism is breaking down. He called on "responsible" sectors of society to transform the present crisis into a springboard for progress.

Speaking before the Rotary Club of Makati West, the labor minister said the communists are bent on capitalizing on the country's current economic difficulties to create a revolutionary situation. He added they are apparently succeeding in certain parts of the country, particularly Mindanao and Negros Occidental.

He called on the country's leadership, the opposition included, to examine the present crisis for opportunities that would release the energies of local entrepreneurs and to transform the country along the lines of the Taiwanese and Korean success stories.

Citing defense ministry statistics, Ople said the insurgent forces have been growing at the rate of 23 percent nationwide. The rate is higher for Negros Occidental, 37 percent, where more than 100,000 sugar farm and mill workers are expected to lose their jobs because of the drastic fall in sugar production.

The labor minister warned that once the national will to resist collapses the communists can take over and occupy Manila--without firing a single shot.

Competitiveness: Ople also underscored the apparent inability of Filipino businessmen to compete in the international markets. He cited the case of local construction firms, whose failures in overseas jobs have dragged down the Philippine Export and Foreign Loan Guarantee Corp to near bankruptcy. He attributed this to the excessive protection these firms, along with other local enterprises, have enjoyed in the home market.

Ople drew a contrast between the Philippines and Asia's "tiger economies," such as Taiwan and Korea. Korea, for example, continues to attract foreign investment and loans, even though its foreign debt already amounts to \$42 billion.

The Philippines, with only \$25 billion in debts, is in deeper trouble. The difference stems from the country's relative inability to earn money, bringing in only \$5 billion in export revenues compared to Korea's \$25 billion in 1984.

The labor minister stressed, however, that the Philippine's strengths have not been irreparably impaired by the present crisis.

PHILIPPINES

KMU SPOKESMAN CRITICIZES OPLE LABOR PREDICTION

Manila BULLETIN TODAY in English 22 Jan 85 p 6

[Text] A labor group took issue yesterday with government claims that 1985 would be a "better year" for Filipino labor.

The Kilusang Mayo Uno, through vice chairman Roberto T. Ortaliz, branded as mere propaganda Labor Minister Blas F. Ople's prediction of improved employment, saying increased taxation measures would result in the closure of more and more small Filipino businesses.

Citing the government's letter of intent to the International Monetary Fund, Ortaliz said "together with the restraint on money, the government is aggressively substituting local sources of revenues for import tariffs which will be lifted by the end of the year."

He added this would work to the big advantage of small Filipino enterprises which have to bear the burden of more and increased local excise duties.

On the question of industrial peace, the KMU officer said "there can never be industrial peace in the country while workers continue to suffer not only from the harsh effects of declining value of wages triggered by the worsening economic crisis, but also from the many restrictions imposed by the government in the exercise of their fundamental trade union rights."

He said that with the workers' pay lagging far behind the high costs of basic daily necessities, the workers will have to strive even harder this year to attain a better wage level and survive the crisis.

The strike record this year is expected to surpass last year's number, he said. (OSG)

CSO: 4200/523

PHILIPPINES

PROVINCIAL DAILY CRITICIZES U.S. AID

Cebu City VISAYAN HERALD in English 14 Jan 85 p 3

[Editorial: "The U.S. Is in Grave Error"]

[Text] The U.S. government may not be arriving at the real remedy for the situation in the Philippines. Its perspective is largely based on military aid for the country to solve its insurgency problem, which is hitting the wrong target.

The basic problem of the country is government mismanagement, which is making more and more Filipinos lose hope in government and the democratic system. Proof of this is the increasing strength of the NPA-supported rebellion and the growing support, even if it is not officially admitted, of the masses who have become easy prey to rebel propaganda.

In short, if government mismanagement indicated by unabated corruption, abuses of government soldiers, political maneuvers, election frauds, oppressive decisions, injustices and other maladies are minimized or stopped, the climate of peace and progress will be regained. This in turn will rekindle the faith and confidence of the people in government---that it is not hopeless. All these, of course, are perpetrated by a corrupt and incompetent regime in the hands of Mr Marcos.

Guns and military hardware coming from the U.S. to quell rebellion will only kill fellow Filipinos and will not solve the danger of communist takeover. Proof of this is the military campaign conducted since Mr Marcos took over power. It is now almost 20 years with the same solution, but today we see the communist-backed rebellion growing faster and bigger than what we in the democratic side would even admit. But the facts are clear: the insurgency problem shows itself in daily ambushes and raids, in towns taken over by rebels in "hidden" governments.

The whole problem is Mr Marcos. The U.S. is making a grand mistake in its assessments of the Philippine situation.

CSO: 4200/496

PHILIPPINES

MANILA COLUMNIST ON OPPOSITION LEADERS VISITS TO U.S.

HK251600 Manila PHILIPPINES DAILY EXPRESS in English 25 Feb 85 pp 4-5

["Perspective" column by Jesus Sison: "It's No Secret Anymore"]

[Text] The seemingly endless pilgrimage of Philippine political leaders to the United States has become an embarrassing spectacle because it looks like every Filipino political leader who goes to the United States is in quest of American favor and support.

Several leaders of the opposition have been traveling to the United States. Some of them stated that they were invited to fulfill speaking engagements before Filipino communities. But they usually end up talking with some American senators, congressmen or officials in Washington, D.C. or somewhere else.

This is probably why some 39 years after we got back our independence from the United States on 4 July 1946, many Filipinos still believe that the Philippines is not yet completely free from the United States. Almost every Filipino leader of consequence from the time of President Manuel Roxas to President Marcos complained, at one time or another, against American intervention in Philippine domestic affairs.

I remember an incident during President Quirino's time when the then U.S. Ambassador Myron Cowen was going around the country speaking against certain policies of the Quirino administration. President Quirino ordered his aides to summon the U.S. ambassador to Malacanang. Upon his arrival in the palace, the U.S. envoy was made to wait for a long while on instruction of the President. After he was announced into the executive office, Ambassador Cowen said: "Mr President, I understand you want to see me." And Quirino replied: "Oh, yes, what did I want to see you about? I remember now. Why are you delivering speeches all over the country regarding some of my policies? Are you running for a public office here?" Cowen was astounded and speechless for a time.

Quirino was probably the most outspoken President against U.S. intervention in Philippine affairs. At one time, a Malacanang special assistant, writer Federico Mangahas, released a statement highly critical of American intervention attributed to a Malacanang official. The statement even stated that the Filipinos were pikers compared to the Americans when it came to graft and corruption. A few days later, Mangahas was asked to resign from Malacanang but many people said that the statement was prepared and issued with the full knowledge of President Quirino.

During the 1953 presidential campaign, Quirino said that for as long as he was the President of the Philippines he would never allow the United States to intervene in Philippine affairs. But he did not remain President for long after that. He was defeated by Ramon Magsay. Now, 32 years later, the Americans are still being accused of interfering in Philippine domestic development.

Officials of the U.S. government, whether of the administration of President Reagan or past administrations, have never been secretive about their desire for certain things to be done by the Philippine government or political leaders. In one of my trips to Washington, D.C., I asked officials of the U.S. Department of State whether it was true that they had been in touch with some opposition leaders of the Philippines. And they were frank enough to admit that the policy of the United States is to open lines of communications with every important political, civic or religious leader, not only in the Philippines but also in other countries.

That policy includes the opposition. And it is not surprising if U.S. officials have been meeting with Philippine opposition leaders on inviting them to go to the U.S. American Undersecretary of State. Michael Armacost admitted that the United States has been extending advice quietly to the Philippine government and maintaining contacts with the opposition.

It is obvious that the question is no longer whether or not the Americans are interfering with Philippine domestic affairs but how far they have gone in their intervention. When Armacost announced that advices were being given quietly and contacts were being maintained with the opposition, there was nothing secret about U.S. intervention anymore. The admission of Armacost raises some questions. Were the American advices followed and implemented by the Philippine government and the opposition? Were the advices good for the Philippines or the United States?

The frequent trips of Philippine opposition leaders to the United States only serve to confirm that the Americans maintain contacts with the opposition. All these have given credence to the thinking of some Americans that the Philippines is still their colony. The Americans keep referring to the special ties and friendship between the Philippines and the United States. They probably believe that the special relationship is what gives them the privilege to intervene in Philippine affairs.

[ ? ], MP Homobono Adaza pointed out, the Philippines is a continuous captive of the United States of America. And the captivity is of the worst kind because it is on the level of the heart and of the mind, he said. ✓

CSO: 4200/581

PHILIPPINES

PRO REGIME PAPER ADVISES ARMACOST NOT TO 'MEDDLER'

HK230525 Manila TIMES JOURNAL in English 20 Feb 85 p 1

[Editorial: "Friendly Advice or Gratuitous Meddling?"]

[Text] A few days ago, U.S. Undersecretary of State Michael H. Armacost gave a speech in New York on Asian policy. Mr Armacost will be remembered as the American ambassador here from 1982 to 1984.

During that period it was our impression that Mr Armacost learned a great deal about this country and its people. We thought, too, that he showed an unusual understanding of our complex national problems and some appreciation of the strenuous efforts being made to deal with them. His recent speech suggests that he may have forgotten what he learned as ambassador and that his understanding of Filipinos has dimmed with time.

According to Undersecretary Armacost, for example, it is America's policy to urge the Philippine government to clean up the military and to make sure that its leadership is "unsullied." At the same time, Armacost says, the U.S. government is pressing us to "open up" our economy. Has he forgotten the continuing efforts to improve discipline in the ranks and the rapport of the AFP [Armed Forces of the Philippines] with the local populace? Just the other day, for example, the President called for more action along these lines and another massive project of civic action by the army, especially in the South.

According to Mr Armacost, the United States is trying to bring about military improvements and economic changes by giving "quiet advice" to the Philippine government and by "maintaining contacts with the opposition." Since when does a public statement equate with quiet advice? Could there be anything less quiet, moreover, than for the State Department to promptly label the speech an "official policy paper?"

We are also curious about the contacts that Mr Armacost says are being maintained by U.S. officials with the opposition. What sort of contacts and for what purpose? Perhaps the opposition leaders would care to elucidate.

In his speech, the former ambassador discussed not only the Philippines but additionally U.S. policies towards the rest of Asia. However, Mr Armacost did not mention giving the same "quiet advice" elsewhere in this region. Nor did he speak of the U.S. government maintaining contacts with the opposition, as in this country. Perhaps he thinks these approaches are needed only in the Philippines. Or is it that gratuitous intrusions of this kind might not be accepted by other Asian governments with the same forbearance that Americans have grown accustomed to receiving from the Philippines? Should we be honored or outraged for having thus been signaled out?

Whatever the case, it is not the first time the Philippines has been given the avuncular treatment by Washington. Nor is it likely to be the last. Sometimes, it is enough to make us long for some "benign neglect." But that might be expecting too much. However, before resigning ourselves to the inevitable, we should make one point very clear to Undersecretary Armacost. It is one thing to offer advice to us; it is another to meddle. The first can be well-intentioned even when it is misguided. The second is presumptuous and can damage the relationship between the Philippines and the United States to the detriment of both nations.

We hope, therefore, that whatever the U.S. government has to suggest for the enhancement of our well-being would be, in fact, in the form of quiet advice. We hope, too, that any contacts maintained with the opposition here are above board, above suspicion and, above all, free from acts which might be construed as inadmissible interference in this country's internal affairs.

CSO: 4200/581



PHILIPPINES

CONCERN EXPRESSED OVER PIMENTEL'S SAFETY UPON RETURN

HK251540 Manila BUSINESS DAY in English 25 Feb 85 p 12

[Text] MP Aquilino G. Pimentel, national chairman of the Philipino Democratic Party--Lakas ng Bayan (PDP-Laban), returns Thursday after a month and a half of speaking engagements in the United States, Canada and Europe.

Party leaders have expressed concern over his safety when he returns. The PDP-Laban Metro Manila council decided in a meeting last Saturday to form a contingent of party members to meet Pimentel when he arrives at the Manila International Airport. Pimentel would be arriving in time for the PDP-Laban's fourth annual convention on 2-3 March at Tagbilaran City. More than 2,000 PDP-Laban members representing 100,000 members of the party from all over the country will attend the convention.

Party leaders also fear that he might be arrested when he arrives in view of a rebellion charge filed against him on the eve of his departure last 11 January to honor invitations from private groups and government leaders abroad. The rebellion charge stemmed from Pimentel's having allegedly contributed P [pesos] 100 to a commander of the dissident New People's Army (NPA), a charge which Pimentel termed "ridiculous."

Previously Pimentel had been ousted twice from public office and jailed thrice by the government. Party members feel that the government moves were prompted by Pimentel's criticisms of the present administration's policies and programs and the alleged violations of human rights. In his talks abroad, Pimentel explained the principles and programs of the PDP-Laban. He told the U.S. Council of Foreign Relations that "the opposition, after Marcos, once it gets to power, will establish a government based upon the primordial principles of freedom, justice, and peace so that the rights of everyone, regardless of race, color, or creed, will be upheld under the law."

Pimentel was elected mayor of Cagayan de Oro City in 1980 but unseated by the Commission on Elections for alleged "turncoatism." A strong public opinion against his ouster prompted the government to restore him to his seat. In the Batasan elections last May, Pimentel ran as an independent candidate and won the lone seat representing Cagayan de Oro.

CSO: 4200/581

PHILIPPINES

DOMESTIC POLITICAL IMPACT OF U.S. BASES ISSUE ANALYZED

HK230527 Manila TIMES JOURNAL in English 19 Feb 85 p 4

["Thinking Aloud" by Rosauero G. Acosta: "U.S. Bases Issue Is Also a Nuclear One"]

[Text] The presence of U.S. bases in our country is often the subject of spirited, if occasionally acrimonious, debates among our leaders. Sharp political lines are sometimes blurred in the process to a point that political figures from the opposing camps become "surprise allies" in some aspects of the debates.

The debates, invariably dwelling on the wisdom--or folly--of maintaining the bases are seasonal and they often herald major political developments. Like election.

They resumed early this year when the rumor mills started grinding about the likelihood of a presidential election by midyear or a little earlier. The loose talk was based, presumably, on another loose talk that the President is seriously ill and may give up his office shortly. Unconfirmed as rumors usually are, the opposition, from which they may have started in the first place, decided to give them a "touch of credibility." Some big names formed a so-called Convenor Group which came up with a so-called fast track system that could select the opposition standard bearer in case fate decides to authenticate the rumor, after all. The group came out with a platform which stated, among other things, that the U.S. bases must go. Not all members of the opposition cast their lot with the group for one reason or another, not excluding the platform. Several opposition men--and women--said the bases can and must stay.

Official noise-makers of the ruling party--sensing the negative public reaction to the group's stand on the bases and the disunity it sowed in the opposition itself--and playing on the mortal fear of many Filipinos of a possible communist takeover in the country--tried to make political hay. And they may have succeeded, to some extent.

To be sure, the arguments for and against the continued stay of the bases here have long been the subject of debates among the common people themselves. Some knowledgeable colleagues think that if the matter were to be decided in a referendum, the bases would stay. This would mean that, like the Americans and many

Asians, Filipinos believe that the U.S. bases here are part of the entire deterrent system of the United States in Asia and the Pacific which are now threatened by Soviet expansionist moves.

But there is one aspect of the bases issue which may not have been adequately ventilated and whose full exposure may substantially change some Filipinos' attitude on the American facilities. This is the question of whether or not nuclear weapons are stored in the bases. Former Senator Lorenzo Tanada raised it in 1983 prompting an uncharacteristically prompt but characteristically angry denial from Malacanang. The President subsequently said the government will not allow such weapons in the U.S. bases here without consultation. He coupled this statement with a blast at the opposition for playing politics with the security of the country. Many opposition leaders were apparently not satisfied with the President's statement, however, former Senator Jovito Salonga revived the issue shortly after his return from his self-exile in the United States quoting what he called "reliable informants" in the United States.

The seriousness of the issue may best be illustrated by the current diplomatic row between two ANZUS pact allies that erupted when New Zealand refused to allow a port call by a U.S. warship unless it is assured that the ship is not carrying nuclear weapons. Now, if a close ally of the United States considers as dangerous a simple port call by a U.S. ship which might be carrying nuclear weapons, how much more dangerous would it be to allow the United States to store nuclear weapons in its overseas bases?

Is the storage by the United States of nuclear weapons in their bases here a myth that must be laid to rest or a reality that must be faced? The vastness of the U.S. facilities here and their strategic location would seem to confirm the latter. The Subic naval base includes a ship repair facility in Olongapo, a naval air station at Cubi Point and a naval magazine at Camayan Point. The naval station facilities include fuel storage with a capacity of 110 million gallons, potable water supply enough to service the entire Seventh Fleet, and the largest U.S. public works contingent west of Hawaii with a motorpool division reportedly the largest in the world. The Subic naval shipyard is the largest outside continental USA. The Cubi naval air station includes fuel storage capacity of 1.68 million gallons, a modern runway which can accommodate a jumbo jet, apron aircraft parking spaces enough to accommodate the entire aircraft complement of an aircraft carrier and 200,000 cubic feet of ammunition storage space. The naval magazine facilities include ammunition storage of 3.8 million feet in nine buildings and an ammunition wharf that can accommodate aircraft carriers.

Through the naval communications station in San Miguel, Zambales, which is equipped with satellite tracking facilities, the U.S. commander at Subic can easily link himself to the American Defense Communications System, enabling him to reach any ship, embassy or facility anywhere in the world. The base is also the home port of the Sterett, a modern nuclear-powered guided missile carrier.

Clark Air Force base is the largest military installation in the whole of Asia. It has runways that allow for the operation of any aircraft in the U.S. Air

Force, an enormous 590,000 yards of apron parking space and petroleum and oil lubricants capacity of 25 million gallons--approximately equal to the capacity of New York's Kennedy International Airport. It also has 200,000 square feet of ammunition storage space and a large bombing range.

Late in 1977, the U.S. Senate's foreign relations committee, in a report urging the Carter administration to reassess weakening U.S. relations with the Philippines, said the country was a valuable U.S. ally because it has become the regional headquarters of the Central Intelligence Agency's massive communications network, a key outpost in the global defense umbrella and intelligence and counter-intelligence operations of the United States.

Part of the report said: "Clark Air base, the biggest U.S. facility outside the mainland which is a major communications center with satellites as well as high and low frequency radio facilities and other sophisticated services... has a massive stockpile of war ammunition, including nuclear weapons."

CSO: 4200/581

PHILIPPINES

REPORTAGE ON PRESIDENT MARCOS' HEALTH, RECENT INACTIVITY

Marcos Admits 'Serious' Virus Complaint

OW260521 Tokyo KYODO in English 0509 GMT 26 Feb 85

[Text] Manila, 26 Feb, Kyodo--President Ferdinand Marcos said on nationwide live television Tuesday that recently he was so sick from asthma that he was put in an oxygen tent because he was hardly breathing.

Asked at his first press conference since May of last year what caused him suddenly to drop out of public view starting mid-November of last year, he said he has suffered from "one of the worst types of virus" known to doctors.

He said: "It is a virus that can't seem to be knocked out by any of our present medications. That's what I have got."

But Marcos, 67, denied he had undergone any surgical operations as widely rumored during last November and December. He said: "I asked the doctors if there was a need for surgical intervention, but the doctors said no, all the treatments are all right," adding he was "given the most modern treatment."

He said he had lost about 10 pounds in weight during his illness but had regained 6 pounds. "But here I am. I am recovering, thank God."

The press conference, carried live on all television and radio channels, lasted nearly for 2 hours. Questions covered a wide range of political, economic and national security issues. At times Marcos referred to events which he said had occurred "while I was very sick during my illness."

It was the first time Marcos or any of his senior aides had publicly described as "serious" the ailment that caused widespread international speculation about how long Marcos' health would allow him to remain in power.

The press conference was widely interpreted in political and diplomatic circles as a major strategy to highlight Marcos' gradual return to full control of the government.

He has gradually received an increasing number of callers at his office during the last few months, but has not left the palace since the illness. Tuesday's press conference was inside the presidential palace.

Marcos's wife, Imelda, first announced the press conference on Monday of last week while a guest at a weekly breakfast meeting held by a group of leading local and foreign editors and writers.

Marcos used the press conference to deny categorically that elections for either a new president or vice president would be held before the next regular elections schedule for 1987.

In his final remark, he stated: "As you can see, I am in harness. I am running the government as persistently as in the past."

Opposition leaders publicly rejected two earlier assurances by Marcos that he does not plan to call snap presidential elections. They alleged there was ambiguity in his two statements, as well as in the carefully phrased statements by his wife, Imelda, saying she would not be a presidential candidate this year.

After Marcos replied to several questions on elections in Tuesday's press conference, one reporter stated Marcos sounded as if he were "hedging" in his replies on an election date.

To this, Marcos replied he wished to state categorically that there will be no vice presidential or presidential election before 1987.

Marcos also stated Armed Forces Chief of Staff General Fabian Ver, at present officially on leave from his duties, would be formally restored to his position as chief of staff if acquitted of being an accessory to the murder of opposition leader, Benigno Aquino, on 21 August 1983.

Marcos said the decision to return Gen Ver to his post if found not guilty was "a matter of intention." He said the decision had been reached some time ago in his office during a meeting involving Acting Chief of Staff Lieut Gen Fidel Ramos and all major military commanders.

Gen Ver is being tried by a special court as one of 7 accessories who allegedly helped 18 other military men and 1 civilian accomplice charged with the murder of former Senator Aquino as he stepped off a China airlines plane at Manila Airport on his return from 3 years of self-exile in the United States.

#### Marcos To Die By Year End, Says Pimentel

HK240531 Hong Kong Commercial Radio in English 0430 GMT 24 Feb 85

[Text] A Philippine opposition leader, Aquilino Pimentel, says President Marcos is so ill that he will die before the end of the year. He said in Paris that the president had a progressive kidney disease, but would not disclose the source of his information. Mr Pimentel adds that he had been told surgeons implanted a third kidney into the president.

The president had ridiculed rumors that he is suffering from a fatal disease. Mr Pimentel, who is on a European tour to rally support against the Marcos regime, also disclosed he has been charged with rebellion and murder after he left Manila last month.

PHILIPPINES

MARCOS ON MILITARY UPGRADING, AMBUSHED GENERAL

Manila BULLETIN TODAY in English 23 Jan 85 pp 1, 11

[Excerpt] President Marcos disclosed yesterday that a substantive upgrading of the country's military capabilities has been going on quietly the past few days.

At the same time, he commended the gallantry and devotion to duty of Brig Gen Pedrito de Guzman, commander of Recom X in Cagayan de Oro City, who was critically wounded while returning home from a conference with local officials.

"General de Guzman has demonstrated his bravery and daring as well as his ability in running a military unit; he has the Napoleonic quality of 'le audace'--the casual type of courage which is effective in that it is reasoned out and based on experience," the President said.

On the upgrading of the military establishment, the President said the program of military aid involving about \$100 million over a period of five years is expected to bring the AFP up to standard in armor, communications, land transport and combat helicopters.

CSO: 4299/523

PHILIPPINES

MARCOS AVERTS CONFRONTATION IN SUPREME COURT MOVES

Quezon City ANG PAHAYAGANG MALAYA in English 14 Jan 85 p 4

["Now and Then" by Jose J. Burgos, Sr: "Marcos Averts Konfrontasi"]

[Text] President Marcos prudently averted a confrontation with the Supreme Court when he ordered the release of Cynthia Nolasco and Willie Tolentino, two subversive suspects, who are only facing a charge of possession of subversive documents before the QC Metropolitan Trial Court.

Defense Minister Juan Ponce Enrile had stated Wednesday of last week that even if the High Tribunal had decided to release the two, the President is not obliged to comply with the court's decision because under the PDA decree, only Marcos can order the discharge of suspects from military custody.

For a time, it looked as if a direct confrontation between the President and the Supreme Court would ensue, in which case there would arise a constitutional crisis of the most serious proportions--something like an immovable object meeting an irresistible force.

Marcos must have realized that in such a dangerous situation, anything could happen. So, in a moment of discretion, he yielded. This means that he will now allow the Highest Tribunal to dismantle the apparatus of tyranny so elaborately set up by him these last 13 years.

The 53 million Filipinos salute the chief justice and the associate justices of the Supreme Court. From their former timid stance, they have emerged as the final bulwark of justice in our country.

Both government and private employes everywhere are urging the scrapping of the PAG-Ibig to which they have, under force, contributed three percent of their salaries every month.

Employers have joined the universal cry for demolition because they, too, are forced to contribute a like amount to the PAG-Ibig fund.



In these most difficult times, the clamor is warranted. Employees need all their pay to make both ends meet, while employers are forced to retrench in order to save their business.

For both, it is a life and death situation. The PAG-Ibig has become irrelevant in this most crucial moment in our history.

It is becoming increasingly clear that the powerful KBL will field Mrs Imelda Marcos, First Lady, Metro Manila governor and Minister of Human Settlements, to be its presidential candidate in the next election.

She will be "it" if Mr Marcos will still be around because as long as he is alive, he will still be in a position to dictate his will on all "yes, yes" leaders of the ruling party.

But the moment he goes, the KBL will crumble like a pack of cards.

This is the reason why Marcos would like to hold the presidential election before he goes--to ensure Imelda's candidacy. All indications point to the probability that the election will be called by the middle of this year.

CSO: 4200/496

PHILIPPINES

GENERAL ECHEVERRIA REJECTS MILITARY ZONING OPERATION

Davao City PEOPLE'S DAILY FORUM in English 24 Jan 85 pp 1, 7

[Article by Tine P. Garalde]

[Text] "I am not in favor of military 'zoning operation' in my jurisdiction."

This was the statement issued by Brig General Jaime Echeverria, RUC XI Commanding general, before newsmen who visited him at the RUC headquarters in Panacan, Davao City recently.

General Echeverria told newsmen that he disliked military zoning operation in southeastern Mindanao because, he said, more often than not, the innocent civilians were the ones who were most hurt than the targets of the operation as experienced in the past not only in the city but in other areas in the country.

General Echeverria said that he prefers his command to conduct military raids to flush out the enemies of the state through constant surveillance of bad elements of the society and from information gathered from positive intelligence reports.

This way, he said, only those who are the real targets will fall on military dragnets.

As regards criticisms hurled against the newly installed Metrodiscom Commander Col Laudemer Kahulugan, General Echeverria said that Kahulugan in a short period of time upon his assumption as the Metrodiscom commander, has already made the accomplishments in the peace and order drive in the city.

However, he said that Col Kahulugan has a huge task to perform in restoring normalcy in the city.

Along this line, General Echeverria requested the media to help in the pacification drive of the government.

He also appealed to the public to be more cooperative with government agencies involved in the maintenance of peace and order and economic development of the community.

CSO: 4200/523

PHILIPPINES

MILITARY PUBLIC ASSISTANCE EFFORTS IN DAVAO REPORTED

Davao City PEOPLE'S DAILY FORUM in English 13 Jan 85 p 6

[Text] Davao City--A two-month old victim of the second transport strike here was among the 104 persons and 2 villages helped by the Regional Unified Command's "big brother" office since it buckled down to work four months ago.

This was learned today from Lt Col Douglas O. Rosete, the region's Civil Relations Chief and concurrently of RUC's Public Assistance and Complaints Action Office, in his report to RUC chief Brig Gen Jaime C. Echeverria, concurrently the acting Presidential Regional Monitoring Officer (PRIMO) for southern Mindanao.

PACAO launched last year a fund drive that raised P1,000 for baby Reina Carreon. She was dead in her mother's arm at the height of the October strike some one kilometer and a half from the Davao Medical Center.

The biggest case now in the PACAO pipeline involves a ranking government official who is the object of complaints by his employee for harassment, abuse of discretion and shady purchases.

We are looking into the evidence, Rosete said, adding that appropriate recommendations would soon be forwarded to PREMO-XI.

Since September 15, Rosete said that PACAO has intervened for parents of 4 detained youths, assisted in the search for 8 missing persons and made sure that government hospitals gave adequate medical attention to 37 more.

More significant for Rosete was PACAO's lead role in mobilizing civilian agencies to help the public in contingency situations.

Manning round-the-clock operations right at the heart of the city, PACAO helped over 50 families that feared being sucked into the violence of transport strikes that hit the months of October and November.

Underscoring the do-it-all function of his office, he went on to say that its main difference with the newly-created Special Action Committee was the area of the public assistance.

"The Special Action Committee is a high-level body created by acting Chief of Staff Lt Gen Fidel Ramos to look into human rights violations and military abuses. It is a specialized group while PACAO acts wherever it is possible for government to act, civilian or military," explained Rosete.

Rosete also took pride in PACAO's community help and cited the example of barangay San Agustin, where terrorists had hoisted a red flag over its school and warned teachers away from their classrooms. Classes were disrupted for three months. "Goodwill and a 20-volume children's encyclopedia won the day for us," he recalled.

Rosete has also tapped private resources to help the fire victims of Agdao district, the biggest squatter sprawl in the city. Working with the Davao Eagles--a civic group--PACAO teams distributed 120 Christmas bags, each containing 6 kilos worth of food.

Behind all these activities, Rosete hopes to build a big brother image for the soldier. He expressed confidence that slowly but surely, "the public is now growing more sympathetic to the uniformed man."

To people who doubt the sincerity of the military effort to move itself closer to the civilian's heart, Rosete enjoined people in dire need of government help to seek him out.

The PACAO headquarters is co-located with the ARENA-XI Panawagang Bayan Center at Quimpo Boulevard, near Ecoland Subdivision and just in front of the Ministry of Human Settlement Office. An 8-man team operates the office 24-hours a day. PACAO can also be contacted through Tel No 7-38-38.

"You'll find a big brother in PACAO--day or night," Rosete assured. "Come, write or call us."

CSO: 4200/496

PHILIPPINES

MARINE COLONEL SUGGESTS STRONGER POLITICAL OPPOSITION NEEDED

Davao City THE MINDANAO DAILY MIRROR in English 18 Jan 85 pp 1, 7

[Text] "What this country needs is a stronger Opposition as an alternative to the party in power!"

Coming from the lips of a Marine colonel the statement sounds a bit strange, but is a sensible assessment of the political situation obtaining in the Philippines today.

Col Rodolfo Biazon, 3rd Marine Brigade commander, sounded the call for a stronger Opposition in a dialogue he had yesterday morning with students of the Mandug barangay high school in the presence of barangay officials. The statement was a reiteration of what he told newsmen the other day with whom he had a chat at City Hall.

"The political Opposition in our country has been weakened considerably in the last decade," Biazon said. The danger here, he added, is that those who decide to reject the national leadership for reasons of their own may be forced to choose communism as an alternative in the absence of any other.

The Marine colonel, whose brigade has gained the respect of Davaoenos for enforcing discipline within its ranks, pointed to the apparent disunity among the current leaders of the Opposition who are engaged in a leadership struggle as the Presidential election approaches.

An avowed anti-communist, Col Biazon said he sees the danger inherent in a condition where the people who have lost faith in the national leadership have nowhere to turn in their disillusionment, may be drawn into the vortex of communism for lack of another choice.

"Communism is an ideology which is foreign to Filipino customs and traditions," Biazon told his listeners, adding that there is no real freedom; be it political or economic, in a communist state where property belongs to the state and not to the individual, as in a democracy.

Communism must never be allowed to grow in this country, Biazon said, and urged his youthful listeners to beware of infiltration into their ranks of "Red agents who are out to foment unrest, especially among the youth,

which will make them ripe and ready to accept communism. "These agents are trained to destabilize the country's economy and its political and social systems," he said. "Let us awaken ourselves to the danger that they pose to Filipino society."

In his informal talk with Davao newsmen the other day, Biazon cited the "moderates" who embraced the "Yellow" movement in the wake of the Aquino assassination as a potent core around which a credible and strong Opposition may be built that would in turn become a rallying force to which those who reject the national leadership may turn as an alternative. "This way they will not be attracted to communism," Biazon said.

The Marines, who were assigned to Mandug in the wake of the distability brought upon the barangay by the presence of armed groups which forced the residents to evacuate to Davao City and elsewhere last year, have reportedly been preparing to give way to members of the composite battalion which will take over Mandug's security.

CSO: 4200/523

REBEL COMBAT, ARMS SEIZURES REPORTED

CHDF Duped; NPC Raided

Manila BULLETIN TODAY in English 22 Jan 85 p 6

[Article by Tony Pe. Rimando]

[Text] Pagadian City--Rebels posing as soldiers disarmed militiamen during an "inspection" in Kumalarang town and security guards of a power firm in Aurora town in Zamboanga del Sur, Sunday, and fled with 26 assorted firearms.

Lt Col Jesus Guerzon, Constabulary provincial commander, reported that 50 New People's Army men clad in military uniform raided a Civilian Home Defense Force (CHDF) detachment in barangay Diplo, Kumalarang, at 9:30 a.m.

The rebels ordered the 16 CHDF men guarding the post to line up for inspection and, one by one, took their firearms, the report said.

Guerzon told Col Carlos Aguilar, PC regional commander, that the dissidents withdrew toward the mountain village of Salagnanok.

Another NPA group swooped down on the National Power Corp. (Napocor) substation near the town proper of Aurora at 6:30 p.m. and disarmed the firm's 10-man security force.

Guerzon said the militiamen and security guards did not resist the NPA raiders who seized 26 firearms, mostly Garand and Armalite rifles.

He said he has dispatched soldiers to track down the rebels.

The disarming operations prompted Col Ernesto Maderazo, 3rd Army Infantry Brigade commander, to issue specific instructions to all military units before they could submit themselves for inspection.

Last Jan 4, some 500 NPAs wearing fatigue uniform raided the coastal town of Capina and disarmed its mayor, Rodolfo Ganub, and all town policemen.

The rebels ransacked the Capina police armory and took about 100 assorted firearms, thousands of bullets and several office equipment.

#### Six Rebels Slain in Mindanao

Manila PHILIPPINES DAILY EXPRESS in English 21 Jan 85 p 2

[Article by Proc Maslog]

[Text] Cagayan De Oro City--Six rebels were killed while two others were captured during three gunbattles this week in Northern Mindanao, the military said yesterday.

Brig Gen Madrino Munoz, regional commander, said two of the slain rebels were killed in an encounter in Upper Kirahon, Villanueva, Misamis Oriental, Thursday evening between a four-man NPA band and a patrol of army scout rangers reinforced by security guards of Philippine Veterans Industrial Estate Corp.

At about the same time, another firefight erupted in barangay Marokbon, Tubod, Surigao del Norte.

Three rebels were killed by a team from 29th infantry battalion under 2Lt Velasco in a gunbattle that lasted 10 minutes, Munoz said.

Another NPA man was slain while two others were captured in a clash with soldiers of the 8th Infantry Battalion, led by Lt Sapat Monday morning in Tiongon, barangay Sibahay, Lunasa, Suigao del Sur, said Lt Col Samuel Afdal, battalion chief.

Those captured were identified as Charlie Galan and Sally Cruz, both residents of the area.

The military said they recovered two .30 caliber carbine rifles, one 5.56 mm handgun, one homemade .38 caliber revolver, one .138 caliber revolver, one fragmentation grenade and one smoke grenade.

#### Eight NPA, Two CHDF Killed

Manila PHILIPPINES DAILY EXPRESS in English 23 Jan 85 p 2

[Text] Eight members of the New People's Army and two militiamen were killed in separate encounters with government troops over the weekend, Camp Aguinaldo said yesterday.

A joint PC-Police patrol led by 2Lt Orvilles Annapolis killed three rebels in an hour-long gunbattle in barangay Tulian, Mati, Davao Oriental.

The PC report did not identify the fatalities. The soldiers recovered two Garand rifles, one shotgun and assorted khaki and fatigue uniforms.



In another incident, an NPA rebel commander and two members of the Civilian Home Defense Force were killed in sitio Kanhanging, barangay Mantiquil, Siaton, Negros Occidental.

Killed were Rogelio Sabillo, alias Commander Yangle, the leader of the 15-man NPA group, and Pedro Balalon and Cresencio Flores, both CHDF members.

Sabillos' men withdrew but left behind an M-16 rifle with six shot magazines, one binocular, four packs containing personal belongings and a first aid kit.

In Zamboanga del Sur, two rebels were killed in a 30-minute firefight with the CHDF men in Tandayang, Naga.

Two other rebels were killed by a PC patrol in sitio Lower Nakar, Labangal, General Santos City. (PNA)

#### NIA Raided, Guards Disarmed

Davao City PEOPLE'S DAILY FORUM in English 19 Jan 85 pp 1, 7

[Article by Dol Onez]

[Text] Some 20 unidentified heavily armed men mostly clad in military uniforms and believed to be urban guerillas of the New People's Army (NPA) stormed the office of the National Irrigation Administration (NIA) at Bagumbayan, Lupon, Davao Oriental, disarmed the security guards and forced them to open the main building door at 7:45 p.m. last Thursday.

On a report sent to the Davao Oriental PC/INP Command from the 438th PC Company under Capt Nonito B. Serrano, commanding officer, indicated that shortly after the last NIA employee went out of the building from an over-time work, a group of heavily armed men entered the NIA compound and disarmed the security guards.

The two guards were herded to the front door of the administrative building and ordered them to open the door.

The two guards after convincing the armed men that they don't have the key of the building, forcibly opened the door by breaking the door knob.

The armed men scoured the interior of the building as if looking for some important documents that are of value to them, one guard said.

Two service shotguns of the two guards with serial numbers 879333 and 90790 with 7 rounds of ammunitions were taken by the armed men when they fled from the NIA compound leaving the two security guards unharmed and unmo-lested.

In a related development a CHDF member who was waiting for a jeep on his way to the headquarters of the 205th Controlling Team of Army Airborne in Mati was disarmed by 8 armed men believed to be guerillas of the NPA led by Commander Kristo alias Marion.

The victim, CHDF Zacarias Lauria of Barangay Taguibo, Mati was disarmed of his M-1 Garand rifle with 40 rounds of ammunitions.

CHDF Lauria told investigators that while standing along the roadside at Taguibo waiting for a jeep for Mati to render duty at the 205th Army Airborne headquarters at Mati, 8 fully armed men suddenly appeared in front of him and pointed their firearms. He was ordered to hand in his rifle and ammunitions which he obediently followed to save his life.

Military authorities said that Commander Kristo's group is actively operating the Taguibo-Marayag areas.

#### Rest House, Tractors Burned

Davao City PEOPLE'S DAILY FORUM in English 20 Jan 85 pp 1, 8

[Text] Heavily armed men burned down a rest house and two farm tractors in a 200-hectare hacienda of a businessman in Sikalig, Lupon the other day.

The hacienda, owned by Bert Recano, suffered about P1 million in losses out of the burning.

The armed men believed to be members of the Bangsa Moro Army set the place on torch after they failed to extort money from Recano.

It was not immediately known how much the extortionists were demanding from Recano but it was known that in the town of Lupon even a market vendor is forced to give a regular "tong" to the rebels.

Recano, it was learned, was not around when the armed men raided his hacienda and burned his house and two tractors. He was reported to have left for Manila after the burning and have decided to stay there for long.

Recano had expressed the fear that next time the armed men might already resort to something more tragic such as kidnapping him.

Recano is an old-timer of Lupon where he had settled after making his fortunes in logging during the time of then Pres. Ramon Magsaysay who is related to his wife.

Recano later expanded to rural banking and the cinema in Lupon but decided to sell them last year after the peace and order condition in that municipality became unstable.

Recano is a civic and religious leader and is also an active tennis player.

## Davao 'Sparrows' Raided

Davao City PEOPLE'S DAILY FORUM in English 20 Jan 85 pp 1, 8

[Text] Four members, including a woman, of the Sparrow unit of the New People's Army who killed four city policemen and wounded three other members of a police patrol in an ambush in Indangan, Buhangin, this city, were arrested by members of the Davao Metrodiscom in a surprise raid at their hide-out in Malagamot, Panacan, yesterday.

Arrested were Aster Bagayas, Antonio Yanong, Marcelo Segura and Pacita Baha, all in their early 20s.

Killed by the four NPAs during an ambush in Indangan last November 1, 1984 were Sgt Freddie Kapilitan, Patrolman James Cingco, Patrolman Dave Patricio and Patrolman Calixto Naul, all of the Sasa police patrol station.

Wounded in that ambush were three policemen, one of whom was Patrolman Ricardo Guiral, 28, who positively identified Pacita Baha as the woman who was directed by his companions to gather all the shells of lived bullets in the scene of the encounter.

The woman NPA also gathered the guns and rifles of the slain policemen.

Patrolman Guiral said that he pretended to be dead after that ambush, but saw Ms Baha as the one who gathered all their bullets and their firearms from the bodies of his companions.

The Sasa police patrol, it was learned, went to Indangan to retrieve the body of a slain man upon request of its barangay captain.

Upon their return, however, the police patrol were readily fired upon in their car by the NPAs who had waited for them in an isolated road.

The two other policemen who survived that ambush are also expected to testify against the four preparatory to the filing of a murder and frustrated murder charges against them in the city fiscal's office, Col Laudemer Kahulugan, Davao Metrodiscom chief said.

Meanwhile, three communist guerrillas of the NPAs were killed during an encounter in Biao Escuela, Tugbok district yesterday afternoon with policemen led by Lt Doming Villaraiz. One of those killed was identified as alias Abel.

The NPAs fled after a reinforcement from the Davao Metrodiscom came at the scene of the gunbattle which lasted for about 30 minutes.

At the same time, 13 NPA suspected members of the communist death squads operating in the city including holduppers were rounded up in separate but simultaneous raids conducted all over the city by the Davao Metrodiscom.

Among those nabbed were Wilfredo Amparado, Leonardo Cabalhin and one Rodolfo Amparado, and Rodrigo Antero of Sitio Tumpong, New Valencia, Tugbok District, all in their early 20s and said to be members of the Sparrow unit who are notorious killers.

The trio were trying to rob a businessman in Magallanes street when the police pounced upon them. A brief gunfight followed up to San Pedro street but they were captured during the chase by the police.

The arrest of the 13 came after Col Kahulugan intensified the drive against communist guerillas and other criminal elements terrorizing city residents. Kahulugan said that the drive will be a continuing affair until the NPAs will be on the run.

### Three Troopers Shot Dead

Davao City PEOPLE'S DAILY FORUM in English 23 Jan 85 pp 1, 8

[Article by Rogie Zagardo and Bong Pascual]

[Text] Three army troopers were shot to death in two separate incidents in the city by alleged members of the death squad of the New People's Army sparrow unit in a matter of 24 hours yesterday. Killed were Gene Maricor, Ruperto Ela of the Philippine Army reserve command based in Tugbok and one Shirleto Caylan, also an army man who just got out of the service recently.

Soldiers Maricor and Ela were shot to death by gunmen in Tugbok district. No other details have been given by police for their killings but they suspected the killers to be members of the sparrow unit.

On the other hand, Caylan, who is only 27, was shot to death by one of three young men who attacked him with a .38 caliber pistol while waiting for a ride in a waiting shade at the Belisario village subdivision in Bajada, this city, at 7:30 a.m. yesterday.

The killing of those three army troopers showed that the killings of government men have not only been confined to the killing of constables and policemen but also soldiers of the army.

Meanwhile, five were reported killed in separate shooting incidents that took place last Saturday in this city.

Anastacio Damaolaw, 40, married with four children and residing at R. Castillo Agdao was reported killed at Maa, this city.

According to the reports, Damaolaw earned his daily subsistence through buying and selling cartoons, empty bottles and used irons. Damaolaw, according to reports, left their house in Agdau early morning last January 19 to do his daily routine of buying and selling empty bottles, cartoons, and used irons. Later in the afternoon by twist of fate, he was gunned down by

still unidentified men. According to witnesses, Damaolaw was hit at the back of his head. Damaolaw's remain was brought to Funeraria Villa by the police assigned in Talomo District.

In a separate incident of the same day, an unidentifiable body was found at Togbuk who sustained several gunshots.

At around 9:00 o'clock in the evening of the same day, another gunshot victim was found at Puting Lupa near Holy Cross at Agdao, R. Castillo Street. Police identified the victim as one Reynaldo Layos of unknown origin.

#### Sparrow Killed, Four Captured

Davao City PEOPLE'S DAILY FORUM in English 23 Jan 85 pp 1, 8

[Article by Jun Baring]

[Text] A member of the dreaded Sparrow Unit of the New People's Army was killed while four others were captured in a running gunfight with elements of the Davao Metrodiscom in Puan, Talomo district, this city, last Monday at about 2:00 p.m.

Killed on the spot was identified only as one "Abril" believed to be only his code name in the NPA heirarchy. Captured alive after they tried to submerge themselves in a river full of nipa palms near Talomo beach to elude the chasing troopers were Francisco Talag whose code name is Efren or Serafin, Benjamin Estrera, Celso Alejandrino and Joselito Durante.

Wounded in that encounter were two policemen, one of whom was identified as Sgt Mendoza who was hit in the leg with a bullet fired by the Sparrow squad after they were spotted in Puan.

The squad, who allegedly controls the beachline of Times and Talomo beach, were obviously on a mission to assassinate another policeman or policemen in Barangay Cemento, one of the barangays of Talomo district, where a fiesta celebration was going on that day.

The police patrol jeep was passing by Puan that afternoon when one of the five young men who turned out later to be NPAs fired at them twice.

The police reacted by also returning fire readily hitting one of them. The four then fled to the Muslim village at Talomo where they submerged themselves in its small river full of nipa palms near the beach.

The NPAs, however, came out of the river after an hour under the watchful eyes of policemen who were already combing the area together with the reinforcing team led by Col Laudemeer Kahulugan, chief of the Davao Metrodiscom.

The four captured NPAs and their slain comrade were reported to be already cadres in the rank of the dissident movement. They were also positively identified by PC Sgt Seines as among those who attacked and killed his PC companions at Bonguyan beach resort last year. Seines survived that attack although he was critically wounded. Three PC were killed in attack while they were having a party.

Kahulugan said that the capture of these NPA guerrillas was only accidental since the police patrol jeep had no idea that they had just passed by a squad of dissidents until one of them fired at them.

#### Five NPA Die in Mindanao Clashes

Davao City THE MINDANAO MIRROR-BULLETIN in English 21-27 Jan 85 p 1

[Text] Five suspected members of the New People's Army were killed and undetermined number wounded in two separate encounters with government troops in northern Mindanao last Thursday morning.

Reports reaching regional unified commander Brig Gen Madrino C. Munoz said soldiers from the second scout ranger battalion led by Sgt Ramil and guards of the Phividec Industrial Estate Security Force clashed with heavily armed rebels at Upper Kirahon, Villanueva, Misamis Oriental.

The rangers were on patrol in the area when they sighted the rebels resulting in a five-minute firefight. Two of the dissidents were killed while the other rebels who managed to escape were believed wounded.

The rangers recovered two handguns, one fragmentation grenade and a smoke grenade.

In Marokdon, Tubod, Surigao del Norte, a group of soldiers from the Bravo Company of the 29th Infantry Battalion under 2Lt Velasco encountered a group of heavily-armed rebels.

A 10-minute firefight ensued resulting in the death of three dissidents and the wounding of several others. The soldiers recovered a Cal. 30 carbine from the scene of the encounter.

There were no casualties on the government side in the two encounters.--  
(PNA)

#### Marines Catch Two NPA

Davao City THE MINDANAO MIRROR-BULLETIN in English 21-27 Jan 85 p 3

[Text] Superior firepower spelled disaster for a small band of NPA subversive terrorists in a mid-morning gunbattle with the Philippine Marines in Paquibato here last week, in a report received by RUC XI Commanding General Jaime C. Echeverria.

Captured by elements of the 9th Marine Company after a brief clash were Danny Jolo and a companion known only by his recorded code name, Danny. A third terrorist, known only as Rex, slipped through by dashing towards barangay Quiroghoy, also in Malabog. He was believed wounded, based on bloodstains seen along his path of escape.

A belated spot report said the government troopers were on regular patrol in sitio Agsam, Malabog when they intercepted the trio. Jole was hit on the left shoulder while his companion was unhurt.

A single shot paltik revolver and subversive documents were recovered from the terrorists who were members of District 3, Front 5 of the outlawed movement. Jole, who was treated by his captors, said he was recruited by a certain Jovy in Tulunan, North Cotabato sometime in 1982. He was then sent to Davao City to set up operations in sitios Cabonbon, Polopon and Agsam in Malabog.

He said his group had been collecting two chupas to a ganta of rice and ten pesos regularly from residents in the area.--(JCA)

#### PC Trooper vs Sparrows in Jeepney Shootout

Davao City THE MINDANAO MIRROR-BULLETIN in English 21-27 Jan 85 p 3

[Text] One more PC trooper displayed bravery when he risked his life to fight single-handedly three armed subversive terrorists, wounding one of them. The subversives had just stopped a PU jeepney bound for Mati, Davao Oriental early afternoon Monday, this week. The trio were out on a mission to liquidate military personnel and INP members aboard the vehicle.

The report of Lt Col Carlos Pena, provincial commander of Davao Oriental to Brig Gen Dionisio S. Tan-Gatue Jr., Recom XI commander, identified the constable as CJC Nicomedes Espanola, member of the 533rd PC Company assigned at Calapagan patrol base in Lupon.

Espanola was on board the same vehicle bound for Mati when upon reaching sitio Bactinan, Barangay Don Mariano Marcos, Lupon the three terrorists, who were armed with short firearms, stopped the vehicle and started checking the passengers to see if any of them were military men or members of the INP.

While the armed men were checking his fellow passengers, the alert constable jumped out of the vehicle and started firing at the terrorists, wounding one of them.

The two others, seeing their companion had fallen, escaped but not before they fired back at the soldiers who luckily was not hit.

The wounded terrorist who remains unidentified was taken by the constable and his fellow passengers to the provincial hospital in Mati. Elements of

the Davao Oriental provincial command were dispatched to track down the two other terrorists who had escaped.

In a separate development, another terrorist was killed in an encounter this week between a PC/INP, CHDF team led by SSgt Diasdado Dualin PC, and PCpl Crestito Aban Sr., of the San Isidro police station, San Isidro, Davao Oriental and five subversive terrorists.

The slain terrorist was identified as Feliciano Villafuerte. A .22 caliber paltik revolver was recovered from his body.

CSO: 4200/523



PHILIPPINES

DAILY EXPRESS EDITORIAL URGES BALANCE IN MILITARY, CIVIL AID

Manila PHILIPPINES DAILY EXPRESS in English 22 Jan 85 p 4

[Editorial: "Not Purely Military"]

[Text] The Philippine government is reportedly seeking more military aid from the United States to counter a growing communist insurgency.

If true--and the US government would probably be more than inclined to accommodate the request--this could affect the ratio between the economic aid and military assistance components of the five-year \$900-million package stipulated in the new US-RP bases agreement. A shift in emphasis would up the military portion further while bringing down the appropriation for the economic support fund.

While the request for more military aid is understandable in the light of the government's admission that the communist insurgents have fast become a major threat to the country's stability, it is best to keep in mind the factors which have led to the worsening of the insurgency.

Military abuses is one. In many areas of the country, the communist movement has been greatly aided by the isolation of the military from the masses. Fear and hatred of oppressive soldiers has practically driven numerous barangays into the arms of rebels.

Of course, there is corruption and inefficiency in government. Unless these are substantially checked in the bureaucracy, no amount of guns bristling in the cities and towns can soothe the disenchantment and restiveness which feed the flames of rebellion.

Then there is the economic crisis which has made millions of Filipinos susceptible to the rabble-rousing and promises of the insurgents who paint a picture of a better life. Reducing the economic assistance portion of the package in favor of more military aid might make matters worse.

What may be done perhaps is to study the military assistance component of the package and to see if the specifics could be altered without increasing the appropriation. Instead of expensive and sophisticated military hardware, for instance, why not opt for the shift to material which are more practical and of more immediate use in field operations?

The government itself realizes that a purely military approach will not work to solve the problem and has in fact gone deep into several socio-economic programs. While a strengthening of military capability has been called for by recent developments on the insurgency front, we are confident it is not viewed as the sole solution to a complex problem.

CSO: 4299/523

PHILIPPINES

REBEL CAMP RAIDED; CITY CHECKPOINT BOMBED

Davao City THE MINDANAO MIRROR-BULLETIN in English 14-20 Jan 85 pp 1, 7

[Text] A total of eight people were killed while an undetermined number of others were injured during a raid Saturday morning of a terrorist camp by Philippine Army scout rangers in upper Magat, barangay Idawa in San Vicente, Davao del Norte.

At the same time, unidentified men believed to be terrorists lobbed a handgrenade at a police checkpoint in Tugbok, Davao City, resulting in the wounding of a policeman and two civilians, Saturday night.

In still another Saturday incident, Army troopers and civilian home defense militiamen engaged about 20 communist terrorists in a fierce gunbattle at San Agustin, Tagum, Davao del Norte, resulting in the recovery of a gun, provisions and documents belonging to the rebel band.

A preliminary report of Col Teodoro Facelo, commanding officer of Task Group Panther, to Brig Gen Jaime Echeverria, Regional Unified Command (RUC) chief, indicated that elements of the First Scout Ranger Battalion under Lieutenants Cardenas and Murillo surprised the San Vicente encampment of about 30 communist terrorists at about 8 a.m.

The New People's Army members, though caught off guard, engaged the raiders in a 35-minute firefight, had to withdraw later leaving behind eight dead but bringing with them an undetermined number of wounded companions.

Facelo reported that no casualty was suffered by the raiding team.

The raiders captured severay heavy firearms and ammunitions, including two M-16 armalite rifles, two garand rifle M-1 caliber .30, one Belgian-made G-1 assault rifle caliber 7.62, seven assorted long and short magazines of M-16 with ammunitions, 16 clips of garand with ammos, six magazines of G-1 caliber 7.62 with ammos, one portable typewriter, assorted medicines, subversive documents, foodstuffs, one handgrenade, assorted kitchen utensils, tents, hammocks, and personal belongings.

Lt Col Douglas O. Rosete, spokesman of General Echeverria, said the RUC command considers the raid a big blow to the NPA in Davao del Norte.

He said the two M-16 rifles captured in the raid were the same guns carted away by the terrorists when they attacked a detachment of the Ranger Scout Bravo Company in Busoon, Monkayo also in Davao del Norte, last March 18, 1984.

Rosete said operation against the NPA guerrillas who are now on the run is still going on.

In the Tagum encounter, where the government did not also suffer any casualty, troopers recovered one carbine caliber .30 M-1, one improvised jungle hammock, assorted foodstuffs and subversive documents from the fleeing terrorists.

Responsible in the Tagum encounter were elements of Bravo Company of the 37th Infantry Battalion under Lt Morgia and CHDF members in Tagum.

A policeman and two civilians were wounded when a group of terrorists hurled a hand grenade at a police checkpoint in Tugbok district, this city, Saturday night.

Col Laudemer Kahulugan, Davao Metrodiscom commander, identified those injured as Pat Reymundo Alvarez and Nicodemo Monsanto and Nestor Castanas, civilians.

Kahulugan said the attackers were pursued by some policemen and a brief firefight ensued. The terrorists later on withdrew in the wooded area enveloped by darkness.

Kahulugan said he believed the terrorists suffered some wounded in the gunbattle.

CSO: 4200/496

PHILIPPINES

TOLENTINO'S BILL SEEN GOOD FOR OPPOSITION UNITY

Quezon City ANG PAHAYAGANG MALAYA in English 18 Jan 85 p 4

[Editorial: "Integration of Opposition Parties"]

[Text]

Foreign Affairs Minister Arturo M. Tolentino has announced that he is reviving the bill he filed with the interim Batasang Pambansa allowing politicians to change their party affiliations.

The measure would amend a provision in the present Election Law prohibiting turn-coatism or jumping from one party to another — a political practice which gained no little amount of notoriety in the pre-martial law period.

The foreign affairs minister explained that his proposal would give more room to the opposition for political maneuvering since it would do away with a legal encumbrance to the integration of the many political parties. At present, these minority groups include the NP (Laurel), LP (Salonga and Kalaw), PDP-Laban, Mindanao Alliance, Pinaghiusa, Concerned Citizens Aggrupation, Timek ti Umili, Bicol Saro, and some others.

Under the Tolentino measure, all leaders and members of these fragmented parties, comprising the opposition, could easily unite

into one distinct single political party, say, the Unido, the umbrella organization. The legal impediment to their coalition would be removed.

The present Election Law was intended to preserve the membership of the monolithic Kilusang Bagong Lipunan. At the time it was approved, almost all elective officials, from the President down to the governors, mayors and Sanggunian members had been absorbed by the majority party. With the prohibition against changing of parties, the KBL would remain intact.

Under the Tolentino measure, the opposition groups will find it easy to unite. On the other hand, oppositionists who undergo a change of heart would easily affiliate with the KBL. So, both sides would gain.

The proposal of Minister Tolentino would allow for the stabilization of the country's political set-up. It would encourage the promotion of a two-party system vital to a democratic government, for which reason the bill should be taken up by the Batasan immediately.

CSO: 4200/496

PHILIPPINES

SERIES CITES U.S. VIEW OF NPA TO ANALYZE SPREAD OF WAR

Quezon City ANG PAHAYAGANG MALAYA in English 22, 24, 26 Jan 85

[22 Jan 85 p 5]

["The Business of Truth" by Alfonso P. Policarpio: "How the US Sees the NPAs--I"]

[Text] The American historian Arthur Schlesinger Sr has written an essay entitled "America's 10 Gifts to Civilization." The first gift, he observed, was the right of revolution. And so it was, with almost all foreign revolutionary leaders looking up to the U.S. as model--until the 1850s.

By the end of the U.S. Civil War in 1865 and the bloody suppression of the Philippine rebellion by U.S. troops in 1902, the gift had lost a good deal of its 1776 value. U.S. leaders who dealt with the complexities and frustrations of foreign policy saw need--the imperative need--to put the ideals of 1776 on the backburner and come up with new concepts to keep stability, where it is being destabilized, and maintain "friendly" governments, no matter if they are totalitarian or undemocratic.

It is against this backdrop of political pragmatism that we must see how the U.S., or the U.S.'s key officials, see the Philippine government--or, perhaps better, the Marcos regime--and the Communist Party of the Philippines/New People's Army. Is it, our government, doing a fine job? If it is, how much help has the U.S. government given it? If it isn't, what is the U.S. doing or going to do to stop destabilization?

Will the U.S., if the situation deteriorates, in the words of the late Ninoy Aquino, get bogged down in our internal rebellion--"eventually have an actual confrontation between a U.S.-backed military and the communists?" "The U.S. becomes a partner in the internal rebellion, exactly as they are in El Salvador," Ninoy had said in the reading of the NPA problem he gave the Asian and Pacific Affairs Sub-Committee of the U.S. House of Representatives.

Exactly a week ago in Singapore, former American Secretary of State Henry Kissinger attended a "private and informal" meeting of the Association of Southeast Asian Nations (ASEAN). Kissinger, the Associated Press reported, "expressed concern over (the) communist influence in the Philippines." "The insurgency in the Philippines is bound to be unwelcome," he said, hastening to add, however: "But Philippine leaders feel they can keep it under control."

It is, for Mr Kissinger, an object of "concern." It is bound, he said, "to be unwelcome."

Three days earlier, on Jan 12, U.S. Assistant Secretary of Defense for International Affairs Richard Lee Armitage gave a press conference after three days of talks with President Marcos, Defense Minister Juan Ponce Enrile, acting AFP Chief of Staff Lt Gen Fidel V. Ramos and other top-ranking Filipino officials. He, like Mr Kissinger, was "deeply concerned" over the Philippine communist insurgency. It is, he stressed, "a very serious problem."

Both Washington and Manila, Mr Armitage said, are "equally concerned" over the NPAs. They agreed, he revealed, the problem "requires a comprehensive solution." The U.S., he said, is prepared to give "appropriate forms and levels" of aid to the Marcos government--military, as well as social and economic.

"Military efforts alone would be insufficient to deal with the insurgency and its success would necessarily involve a wide range of social and economic reform," Armitage said. He said the U.S. Defense Department would try to convince the U.S. Congress to provide appropriate aid to the Philippine government that would allow its armed forces "to move, to communicate and to shoot."

They, the Philippines and the United States, Mr Armitage was saying, are not running away from the problem. They will reorient, they will retrain, they will re-equip, he said, so that they can "move," "communicate" and "shoot." That, he said, is part of the new U.S. plan for the Philippines.

The NPAs, he said, were estimated now at 10,000-strong, fully armed. They have been fighting the government, he noted, in a country-side Maoist campaign for the past 15 years. They are now strongest, he pinpointed, in Mindanao--but also in Samar, the Bicol peninsula, the island of Panay, Kalinga-Apayao, Isabela and Ilocos Sur in the north.

The goals, Mr Armitage emphatically said, are "security" and "stability."

Paul D. Wolfowitz, Assistant Secretary of State for East Asian and Pacific Affairs, shared Mr Armitage's views in a statement issued by the U.S. embassy Friday, Jan 19. The NPAs, he said, are "a very serious problem" that calls for "social and economic reforms, as well as military action." The U.S., he said, "strongly" supports our government's efforts to stem the insurgency.

The "concerns" expressed by Mr Kissinger, Mr Armitage and Mr Wolfowitz may be viewed better in the less diplomatic parlance used by the AP. "Security conditions in the (Philippines') countryside," AP said in a report Jan 12, "are deteriorating." It might have qualified: "deteriorating very fast."

What it shows is: the NPA problem is getting worse rather than better. And unless corrections are done effectively and quickly, it could turn from bad to worse to worst. This is unarguable.

The situation, rightly, should disturb the U.S. But even more disturbing are the details: What is the NPAs' actual strength?; What is the NPAs' mass base?; How many of the 74 Filipino provinces are now infected by the NPAs?; What percentage of the Filipinos are now influenced by the NPAs?

And what's wrong with the Armed Forces?

[24 Jan 85 p 5]

["The Business of Truth" by Alfonso P. Policarpio: "The NPAs as Seen by the US--II"]

[Text] US Assistant Defense Secretary Richard Lee Armitage, in a press statement issued by the US embassy for him after his talks with President Marcos and other Filipino officials, spoke in bland terms. "The US Defense Department believes," he said, "that our support can be most effective when (the NPA) problems are faced squarely and honestly by both sides."

What the problems are, Mr Armitage did not detail. But they can be the subject of reflection. They are, the statement said, "very serious" and call for "social and economic reforms, as well as military action."

And we may see them in some detail--in fine detail, in fact--in an earlier report made late October by two key staff members of the US Senate Foreign Relations Committee, Frederick Z. Brown and Carl Ford, entitled "The Situation in the Philippines," after two fact-finding trips to the country May 30-June 9 and July 13-23.

The NPAs, they said, are a "gnawing threat": "Most disturbing is the fact that the insurgency, the rationale for imposing martial law 12 years ago, is stronger today than ever before"; "the insurgency has made big gains in the past two years"; "the insurgency appears to be gaining strength and momentum"; "the insurgency is growing at an alarming rate" and, "in fact, the situation seems to be deteriorating rather than improving"; "the insurgency...could within three to five years, perhaps sooner, threaten the central government's stability." They are now, said the committee report, "a genuinely serious problem."



"For many Filipinos," the report said, "this is the ultimate betrayal by a regime which, above all else, claimed to be able to preserve the nation from communism."

Well, we'll not say that. But let's look back at what there was and what there is today: in early 1966, when President Marcos had just assumed the presidency, the Huks, not yet the NPAs, were a rag-tag band of 250 limited in their operations to Central Luzon; in 1972, just before martial law was imposed, according to the late Ninoy Aquino, the NPAs had barely grown, building up from 250 in 1966 to no more than 500 armed NPAs in 1972; in 1984, Defense Minister Juan Ponce Enrile said they had beefed up to 5,000, perhaps 6,500, but, he stressed, they had grown by 20 percent within the last ten months; President Marcos, in June 1984, placed the NPA first at 5,000, then revised himself and said they could be 6,800. These are the government estimates--theirs, not ours.

In late February 1981, when we went to Boston and saw Ninoy, we made our own estimates. The NPAs, we agreed, were "at least 10,000 fully armed." "And growing fast," we said.

In June 1983, just before Ninoy came home and got killed by "a military conspiracy," Ninoy told Mother Jones: "They now have 17,000 (fully armed cadres) and they're expanding." They were building up to "at least 30,000 to 50,000 armed partisans 'within the next ten years,'" Ninoy said, before they made their big push.

To the US Senate committee, "armed (NPA) strength is estimated at 12,500 countrywide--and growing." "The AFP's response," it said, "has failed to contain the NPA and, in some ways, its actions have been counterproductive. Moreover, all objective indicators suggest that the situation in the countryside will grow even worse over the next year or so."

The committee report added:

"The NPA, for its part, claims to have obtained 20,000 weapons by the end of 1983. Although there is no way of knowing for sure, many observers believe that the NPA claim more nearly reflects the true state of affairs. The NPA probably can now field some 10,000-12,500 full-time armed guerrillas and an additional 10,000 part-time militia soldiers.

"...It is known to have captured several M-60 machineguns and a considerable number of M-79 grenade launchers that it uses to great effect in encounters with the AFP. In fact, there have been several fire fights recently in which the NPA displayed an equal or greater amount of firepower than the government forces. Several AFP officers were interviewed said that the NPA also monitors AFP radio communications with captured equipment.

"The scale and frequency of NPA operations have also increased dramatically. In the early 1970s, the typical armed unit was squad/platoon sized (some 10-20 men), operating sporadically in remote areas of the country. As late as 1980, reports of clashes with armed units of company strength

(80-100 men) were rare and confined for the most part to northeastern Luzon. Today, company-sized units operate throughout the archipelago, and it is not uncommon for the AFP to confront NPA battalions of 200-300 men each.

"Until recently, the reports of AFP operations consistently equalled or outnumbered the NPA-inspired incidents. But over the last six months (January-July 1984), the trend has changed. Recent reporting suggests the level of NPA activity has increased to the point that it exceeds the number of operations mounted by the AFP."

The NPAs, if we believe the military, are even now in Metro Manila. Rolando Galman, an NPA, per the military, shot and killed Ninoy at the MIA tarmac, remember? So, too, according to them, were the slayers of Brig Gen Tomas Karingal in Quezon City--NPAs.

We discount Ninoy's killers, of course. But the simple fact is: It is a frontless war, it is a ruthless war; it is a faceless scene, it has no frontiers. And it is spreading very fast.

If our father were alive still, we're sure he would ask: Bakit nagkaganito?

[26 Jan 85 p 5]

["The Business of Truth" by Alfonso P. Policarpio: "How the U.S. Sees the NPAs--III"]

[Text] The NPAs--today--are masters of the art of ambush. They overrun a small government outpost, then lie in wait for the government column expected to relieve the post. They mine the route of government entry and government retreat--and dig in alongside for their prey.

They follow the guerrilla book almost to every detail. They move about quietly, secretly, often seeking and getting the protection of the locality's villagers. Frequently, they stage hit-and-run attacks, returning to their hideouts in strategic withdrawal in the face of pursuit and gunfire from the security forces.

You do not see their attacks--until they come. This was what happened to Brig Gen Pedrito C. de Guzman, commanding general of PC/INP Regional Command 10, and four of his security men when they were ambushed by NPAs just 100 meters away from Camp Alagar, the regional PC headquarters in Cagayan de Oro City, Sunday night. Four vehicles, said Recom 10 spokesman Col Triunfo P. Agustin, "boxed in the general's car and the escort jeep and fired their automatic weapons at General de Guzman and his escorts."

One bullet punctured the general's left lung, another bullet fractured two of his ribs, a third bullet hit him in the right arm, and a fourth bullet shattered his left leg. He was described as in "serious condition," but out of danger--but his left leg might be amputated. One of his escorts, the driver of the security jeep, was in "critical condition"; he was hit thrice in the head.

And, as we understood it, the NPAs all got away.

What was important for us, in the ambush of General de Guzman, was where it happened--just 100 meters away from Camp Alagar. How could this happen? How did it happen?

A fact of Filipino life today, said Frederick Z. Brown and Carl Ford in their report to the US Senate Foreign Relations Committee, "The Situation in the Philippines," late October 1984, is how expansive communist NPA influence has spread all over the archipelago. What they found:

"...the NPA, for the most part, appears to make a great effort to use violence in a calculated fashion for maximum political effect.

"It has an organized presence in 80 percent of the Philippines' 73 provinces (62 provinces) and is especially strong in certain areas of Mindanao, central, northern and southern Luzon, and several of the Visayan islands. Its influence in the countryside is expanding.

"Some official observers estimated that the communists may already influence to some degree as much as 40 percent of the area outside the major urban population centers. And while others may believe such an estimate is too high, all these we spoke with agree that the areas influenced by the insurgency are growing at an alarming rate."

The NPAs, said Mr Brown and Mr Ford, have "an organized presence" in 62 of the 73 Philippine provinces. The NPAs, they said, "may already influence to some degree as much as 40 percent of the area outside the major urban population centers." These, by any reading, as articulated by Assistant Defense Secretary Richard Lee Armitage and Assistant Secretary of State for East Asian and Pacific Affairs Paul U. Wolfowitz, are "a very serious problem."

We had a talk with a ranking officer of the US embassy Monday night. "You know the internal communist problem better than we do," he said. "But I'll tell you: It is really very serious; the government seems unable to cope with it or is far from coping with it."

Mr Brown and Mr Ford, in their reports to the US Senate committee, wryly concluded: "We came away from the Philippines harboring serious doubts whether or not the civilian government and the Armed Forces of the Philippines (AFP) were up to meeting the communist challenge. Such a complex task requires a coordinate effort on the part of many departments and agencies. Instead, the government to date appears to be working at cross purposes.

"There is genuine abhorrence of the NPA and its methods of operation--yet recognition of the NPA's growing power and a nagging doubt as to whether Philippine democracy, under present conditions, can compete successfully. There is a consensus that the Marcos regime is bankrupt--that there is anxiety over what sort of regime (military junta?/more repressive?/even less

efficient?) might replace it. There seems to be a broad consensus that the mantle of authority is slipping from Marcos' shoulders.

"There is genuine fear that at some point parliamentary niceties and the traditional politics of a democracy will become irrelevant--that the issue will be decided on the streets and in the hills. One leftist organization said recently: "By 1987, traditional electoral politics will probably be an anachronism. By 1987, people will have an alternative to the ballot box."

We do not know about that. We still think there will be elections for local officials in 1986 and for the presidency in 1987. But we are reminded of what Vo Nguyen Giap, the victor at Dien-Bien Phu in Vietnam, said: "Only a long-term war enables us to transform our weakness into strength. Thousands of small victories accumulate a great success."

The grim conflict grinds on, in all its savagery, across our tortured land. The NPAs have accumulated hundreds of small victories, with government casualties far outnumbering the NPAs. How close are we to the beginning of the classic, conventional largescale NPA offensive?

CSO: 4200/496

PHILIPPINES

NEW NPA RECRUITMENT GROUP TARGETS DAVAO STUDENTS

Manila PHILIPPINES DAILY EXPRESS in English 14 Jan 85 pp 1, 7

[Text] Davao City--Young students are the prime targets of recruitment by the Communist Party of the Philippines in Davao City.

Col Laudener Kahulugan, Davao Metrodiscom commander, said that aside from those operating in the hinterland village the CPP and its military arm, New People's Army, have deeply penetrated local universities, colleges and other schools here through the new backup group called Kabataang Makabayan para sa Estudyante.

Kahulugan said the arrest of the nine KMPSE members in a raid at Matina Aplaya, Matina, this city, last week revealed the infiltration of schools here by communist terrorists.

Greatly affected, according to documents seized by the authorities, are two universities codenamed "Honda" and "Sterling."

Henry Siodena, alias Fritz, one of those captured in the Matina Aplaya, operated in the university codenamed "Honda" while Minerva Minal, a co-member of Siodena in KMPSE also arrested with him, operated in the other university codenamed "Sterling."

Under the KMPSE, Kahulugan said there are other sub-groupings being organized to have a massive backup of the CPP-NPA in its urban and suburban operations here.

Kahulugan listed, among others, the KMPSE sub-groupings such as LT (Lupong Tagapagpaganap), KSB (Komite sa Balangay) and PPO (Pangkat Pampropaganda sa Organisasyon) charged to organize and collect "taxes" for the movement.

An example of KMPSE taxation, reports said, is the P2 imposed per students per month, Kahulugan said. (PNA)

CSO: 4200/496

PHILIPPINES

OPPOSITION MPS BLAME MARCOS FOR NPA GROWTH

Quezon City ANG PAHAYAGANG MALAYA in English 16 Jan 85 pp 1, 2

[Article by Ben Evardone]

[Text]

Opposition circles in the Batasan last night ridiculed President Marcos' challenge for them to fight subversives.

Minority Floor Leader Jose B. Laurel of Batangas said "he (Marcos) does not realize that in doing so, he is actually calling on us to fight his own administration."

Laurel said "communism has gained much headway among our people largely because of the Marcos administration."

The Batangas solon said Marcos "is in fact the biggest single cause of the growth of communism in the country."

Laurel, a former speaker in the defunct Congress, said communism thrives on the people's discontent with the way they are treated by those in power.

He explained that "if a government tramples on their rights, denies

them their individual liberties, deprives them of their livelihood, and forecloses even their hopes for a better day, they will look for other rulers."

Laurel said that "where the people have nothing to lose under the government that has debased and impoverished them, they will veer towards another regime that promises them anything."

In his message to the Batasan the other night which was inserted only into the record as the President failed for the first time to deliver it personally, Marcos called on the opposition to help his administration in fighting communism and preserving our democratic institutions.

For his part, Assistant Minority Floorleader Edmundo V. Cea of Camarines Sur, said that subversion, rebellion, or civil wars, do not exist in countries where

the communists are allowed to participate in electoral processes as in India, Japan, Europe.

Meanwhile, the Cabinet yesterday took specific measures to reduce government expenditures for its operations abroad, including the closing of several consulates and missions and the recall of service attaches.

Prime Minister Cesar Virata, who presided over the meeting said the reduction of foreign service personnel abroad is part of the program to reduce budget deficits and achieve a cost-effective foreign service program.

Foreign Minister Arturo Tolentino reported that four consulates and two missions will be closed early this year and their personnel recalled to the home office.

The consulates are those in New Orleans in the United States, Melbourne in Australia, Winnipeg in Canada, and Kobe in Japan. The missions are set to be closed in European Economic Community in Brussels and to the Unesco in Paris.

CSO: 4200/496

PHILIPPINES

SUPREME COURT ORDERS ONGPIN TO ALLOW BROTHER'S EXPORTS

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jan 85 p 8

[Text] The Supreme Court has stepped into the legal squabble between the brothers Ongpin.

In a resolution dated Jan 8, 1985, but released only yesterday, the High Court directed Trade and Industry Minister Roberto V. Ongpin to allow his younger brother Jaime, president of Benguet Corp and identified with the opposition, to export all shipments of Benguet copper concentrates.

The elder Ongpin was told to give a general export clearance for all shipments of Benguet concentrates until the Philippine Associated Smelting and Refining Corp (PASAR) completes the technical tests on the safety of processing the concentrates.

The Ministry of Trade and Industry (MTI) earlier suspended the export license of Benguet due to the controversy on whether or not the copper concentrate materials it delivered to PASAR for testing purposes were suitable for such tests.

Benguet sued MTI and PASAR before the Regional Trial Court in Olongapo after its export license was suspended. After this court said it had no jurisdiction over the case, elder Ongpin elevated it to the Supreme Court in a petition for certiorari where the case is pending.

MTI later lifted the suspension of Benguet's export license, but it granted permits on a shipment-to-shipment or piece-meal basis. However, Benguet complained that the piece-meal basis prevented it from "planning its shipments of concentrates and contracting of ships" and that "delays in shipments resulted in damages to Benguet in the nature of loss of interest income on the export proceeds of the concentrates."

Meanwhile, Benguet and PASAR agreed in principle on the delivery terms to PASAR of additional or replacement concentrates containing high levels of mercury for technical tests.

CSO: 4200/496

PHILIPPINES

BENGUET'S ONGPIN SUED FOR TAX EVASION

Quezon City ANG PAHAYAGANG MALAYA in English 19 Jan 85 p 2

[Text] Benguet Consolidated kingpin and Convenor Group proponent Jaime Ongpin has been sued by the Makati municipal government for non-payment of taxes amounting to P.8 million for the last 10 years.

In a tax evasion suit filed before the Rizal Provincial Fiscal yesterday, Lawyer Sergio S. Santos said the charge against Ongpin stemmed from failure to pay building and warehouse real estate taxes amounting to P707,780 for a property located at Pasong Tamo Extension, Makati.

The lawyer said the property was bought by the Benguet Consolidated Inc from a certain Maria Kalaw in 1972 but the corporation failed to declare the true market value of the office building and warehouse it had acquired.

Santos said that this is a violation of Section 6-A in relation to Section 104 of PD 464, the Real Property Tax Code, which says that "it is the duty of any person who acquired real property in any municipality or who made renovations on the property to declare the value of the property within 60 days of occupancy.

Santos added that failure to file a tax declaration or to otherwise conceal, remove or misrepresent ownership of a real estate property under Section 104 is liable for a fine of P1,000 or one year imprisonment.

The Benguet firm, however, denied through its lawyer the charges, stating that it has been up-to-date in payment of real property taxes on the land which is covered by an official statement stated in the tax declaration.

According to Benguet lawyer Teodorico Taginod, the building has been declared under sworn statements required under Section 6 of PD 464 but no official assessment has been received by the company from the municipal assessor's office.

Taginod said if the official assessment is received the property will be deemed as declared for the first time and there will be no penalty if the taxes are paid before the expiration of the tax collection period.

CSO: 4200/496



PHILIPPINES

OPPOSITION'S GUINGONA URGES CPP LEGALIZATION

Quezon City ANG PAHAYAGANG MALAYA in English 19 Jan 85 pp 1, 2

[Text] An opposition leader pressed yesterday for the immediate legalization of the Communist Party of the Philippines (CPP) "to prevent further bloodshed and destruction across the land."

In a speech at the University of the East, lawyer Teofisto Guingona, chairman of Sandata, a militant group for social and economic reforms, said more repressions will only increase the members of the New People's Army (NPA), military arm of the CPP.

"More abuses, more members, more injustice, more recruits and more corruption and subservience to foreign domination, more determination to rid the nation of the menaces of dictatorship," Guingona, a possible presidential candidate of the opposition, said.

He pointed out that "NPAs are honest and dedicated."

Guingona said people join the NPA because of "military abuses, deprivation of economic rights, unjust social structures that perpetuate the evils of social sin like low wages and repressive taxes."

He said that "recognition of the CPP does not mean that it automatically comes to power; it will spurn the offer; it will continue the armed struggle, delivering the country to a foreign ideology."

On the other hand, he said, it could mean "genuine peace and tranquility."

He proposed to recognize the CPP as any other party like the KBL, Nacionalista, Liberal, Unido and PDP-Laban which can participate in elections.

Guingona noted that communist parties are recognized in Japan, Sri Lanka, India and Italy, among other countries.

The opposition in the Batasan has filed a bill legalizing the CPP.

However, Defense Minister Juan Ponce Enrile, Labor Minister Blas F. Ople, Political Affairs Minister Leonardo Perez and Information Minister Gregorio Candena rejected the proposal of the opposition by calling the opposition naive for believing that the NPA will lay down their arms if the CPP is legalized.

CSO: 4200/496

PHILIPPINES

OPPOSITION COLUMNIST ON PROBLEMS OF CPP LEGALIZATION

Quezon City ANG PAHAYAGANG MALAYA in English 19 Jan 85 p 4

["This Is My Own" by Joaquin R. Roces: "Let the Communists Argue for Legalization"]

[Text]

Our good friend, Willie Jurado, now information and labor attache in the Philippine Consulate in San Francisco, in a symposium on "The Future of the Philippine Democracy," said that the Communist Party of the Philippines has long been outlawed in our country and that membership is illegal and a crime, and that the author of the law was then Rep. Joaquin R. Roces whom he described as "a stalwart of the opposition."

We did author and sponsor the anti-subversion law during the Third Congress. As originally presented and approved, the anti-subversion law called upon all members of the Communist Party of the Philippines (and presumably its armed component, the Huk army) to register themselves as members thereof, in order to legalize themselves, and upon their failure to register,

they would be considered an illegal organization.

It was in effect an invitation for them to come out openly and participate in the democratic processes in order to achieve the changes and reforms they sought through discussions, the politicization of the people, and participation in the elections.

Their failure to register would have meant their being declared members of an illegal organization, subject to certain penalties.

Well, the fact is that we do not know of a single member of the Communist Party who even bothered to register. Just as we do not know of any member of the Communist Party convicted under the anti-subversion law in its original version.

The anti-subversion law was really the first attempt of the government to legalize the

Communist Party of the Philippines, and it was made at a time when communism was monolithic and we all presumed that there could only be one communist party and no other. Today, there are as many shades of communists as there are factions within the opposition. In our own country, there seem to be two distinct parties, each looking up to their own interpretation of communist doctrines, and under different spheres of outside communist influence.

We have this perplexing problem before us today. Many of our opposition leaders have proposed the legalization of the Communist Party. As a matter of fact, we ourselves wrote a column advocating for it once. But the problem is that communism is no longer the monolithic straight jacket that it was as far as party organizations are concerned.

It is claimed that the NPA is but the arm of the Communist Party of the Philippines. By its very nature, it is an armed force. And it is quite possible, just as the military may often be the dominant influence in a civilian government, that the NPA is the dominant factor in the Communist Party. So that it is extremely doubtful that the NPAs would now disarm themselves this late in the game.

It would be different, of course, very different, if the communists themselves were asking for legalization. But then, the communists do not believe in democratic processes. That is why they stay away from all elections. When we say that they do not believe in democratic processes, we do not mean that they do not believe in bringing about the democratic benefits of a good government to the people of

that government. But they seem to believe that it cannot be brought about without an armed struggle.

The move to legalize the Communist Party should be debated freely and openly and comprehensively before our people. The different civic clubs, radio stations and television channels could provide the fora. And the ideal situation would be one where representatives of the Communist Party themselves would argue for legalization. The government could give them whatever immunity is necessary for them to speak for their side. Their wanting it would be a test of their sincerity.

But it would be funny if we were all to be debating among ourselves whether the Communist Party of the Philippines should be legalized or not while they stand by the side without having to make any commitments of their own.

PHILIPPINES

MAJOR ISSUES AT BATASAN SUMMARIZED 14 JAN

Manila BULLETIN TODAY in English 14 Jan 85 pp 1, 14

[Article by C. Valmoria, Jr]

[Text]

The Batasang Pambansa resumes its regular session today after a 30-day recess to consider at least two major bills — the proposed Omnibus Election Code and the Agricultural Incentives Law — which the administration has given priority in this year's legislative program.

In addition to these two measures, the Batasan has yet to act on some 3,900 bills and resolutions, most of which are still pending in the assembly's 30 standing committees.

Pressure will be brought to bear on the Batasan to act on a pending resolution suspending the effectivity of the realty tax increases authorized by Presidential Decree 464, as amended by PD 1621, which was issued in 1973, or

12 years before the increases took effect last Jan. 1.

Four major issues are also awaiting Batasan action — the proposals on Amendment 6 which grants the President law-making powers, presidential succession in case of temporary incapacity, presidential immunity, and synchronization of elections.

Although the ruling Kilusang Bagong Lipunan (KBL) had resolved these four issues in its party caucus by turning down the proposals, the opposition expects a formal Batasan action.

Political Affairs Minister Leonardo B. Perez, chairman of the committee on revision of laws, codes, and constitutional amendments, is set to file the proposed election code this week.

The Batasan has to pass the election bill by

October this year to give the Commission on Elections (Comelec) enough time to print and distribute the ballots, election returns, and other forms for the Jan. 30, 1986 local elections.

However, Deputy Prime Minister Jose A. Roño, majority floor leader, had earlier hinted that the scheduled local elections may be moved to May, 1986.

President Marcos had instructed Roño to give the agricultural incentives bill top priority because of the need for an effective incentives system which will hasten agricultural productivity.

The President cited the government's recent policy of decontrolling prices of agricultural products as the most important incentives for more agricultural production.

The Batasan minority, whose unity in the assembly does not reflect the ongoing squab-

bles among opposition leaders outside the Parliament, is expected to pressure the finance committee to report out the resolution filed by Member of Parliament Lito Atienza (Opposition, Manila) seeking to postpone the effectivity of the realty tax increases.

Atienza charged that the amount of increases authorized under the decree which the President issued in 1973 had been extrapolated and do not reflect the real situation obtaining in the country today.

The Manila lawmaker noted that the Ministry of Finance had offered a compromise, which the President had approved, by requiring taxpayers to pay the amount by three annual installments — 40 percent this year and 30 percent in 1986 and 1987. The first quarter payment is due on March 31, Atienza said.

Unless the Batasan leadership comes up with specific measures to be taken up in today's session, the assembly is expected to pass on third and final reading a bill which would authorize barangay captains to administer oath to local elective officials.

It could not be ascertained at press time whether the opposition in the assembly will insist on the calendaring of the no-confidence motion filed against Prime Minister Cesar E. A. Virata. The understanding was for the chair to schedule the motion for debate when Virata is available.

Otherwise, the assembly will resume the sponsorship debate on a bill reported out by the committee on agrarian reform, headed by Agrarian Reform Minister Conrado Estrella, prohibiting the transfer of lands acquired under the agrarian reform law.

PHILIPPINES

WORKERS' PARTY NOMINATES OPLE, GANZON TICKET

Manila BULLETIN TODAY in English 15 Jan 85 p 9

[Article by Roy C. Sinfuego]

[Text]

Labor Minister Blas F. Ople has been nominated as the candidate of the Lapiang Manggagawa for president in the election in 1987, with former Sen. Rodolfo T. Ganzon as his running mate.

Francisco E. Pasion, a member of the national directorate of the Lapiang Manggagawa (LM) and president of the Association of Filipino Overseas Workers Inc. (AFOWI), nominated Ople to be the official presidential candidate of the LM, during the party's national directorate meeting the other day.

Pasion pointed out that although Ganzon's heart beats for the masses, particularly the workers, the party should pick one who could truly represent the workers. He said this person would be Minister Ople.

Pasion cited Ople as a

recognized labor leader even before he became a member of the Cabinet.

"Ople has proven himself better than any seasoned politician, parliamentarian, lawmaker and that he has proven his capabilities when he was once elected as head of the International Labor Organization, a distinction which has yet to be equalled by any labor official," Pasion said.

Pasion said Ople has the qualities of a leader who "can effectively harness the potential of the country's 115 million workers. Their votes would be enough to make him the next president," he added.

He said that the Ople-Ganzon team, one from Luzon and the other from the Visayas and Mindanao, is definitely a formidable team that can beat the combined forces of the KBL and the so-called opposition parties.

CSO: 4200/496

## PHILIPPINES

## CEBU MAYOR'S USE OF 'MARTIAL FORCES' VIEWED

Cebu City VISAYAN HERALD in English 14 Jan 85 p 3

["Monitor" by Eddie Adlawan: "Adolf Hitler and Listing of Cebu Residents"]

[Text] Unlike Adolf Hitler, Mayor Ronald Duterte came on the political scene like a harmless marshmallow kid. He was then known as the son of a prestigious father who was some kind of power behind the throne in Sergio Osmeña's long reign.

He came on light and not heavy. A lurking half smile, a self-effacing look, helped him exude a kind, quiet appearance mingled with refinement and breeding.

Definitely there was none of cunning of carpetbaggers, decisiveness of street toughies and the swagger of brutes.

Shortly after Ronald Duterte took his oath as mayor of Cebu city, he pushed many to the edge of their seats. He did a strongman's feat: clearing Carbon market of unruly vendors. It was one of the toughest jobs many city executives avoided doing for fear of political backlash.

But without hesitation, the one-time candy-faced kid used police and military power and showed he was at home with it. When the plaintive protest of vendors died down, soon the cheers came. Duterte did it!

So has success spoiled Mayor Duterte? Has success in busting the vendors by the military got him a liking for martial powers?

Like in a number of cases, the Mayor busted the transport strike by the use of the military, fire trucks, and other precision facilities usually used by mustached dictators. Including sharp words, ranting and flailing fist?

And now, Mr Mayor, what is this inquisitory listing of city residents about? Is this to find out who are the opposition Jews to be burned in your KBL Auschwitz?

CSO: 4200/496



PHILIPPINES

SERIES EXPLORES OPPOSITION VIEW OF NPA

Quezon City ANG PAHAYAGANG MALAYA in English 15, 17, 19 Jan 85

[15 Jan 85 p 5]

["The Business of Truth" by Alfonso P. Policarpio: "The NPAs as Seen by Ninoy--I"]

[Text] The way we read Defense Minister Juan Ponce Enrile's latest speech on the New People's Army, the Armed Forces are failing miserably and the NPAs are creating great havoc. He didn't say it, but we got the impression the AFP is making pitifully small headway, if at all and, in fact, the NPAs are on a big push--"a grand design"--"to forge...a military stalemate with the government." In 1984 alone, he said, more than 1,000 civilians, many of them mayors and barangay captains, were killed by the NPAs.

How the opposition--the Liberal Party, the Nacionalista Party, the Pilipino Democratic Party-Lakas ng Bayan, the United Nationalist Democratic Party, the Laban itself--sees the NPA problem is a big question mark. What we know is how they plan to solve it: to grant a general amnesty to all political offenders, to legalize the Communist Party of the Philippines. How they see the shifts in the NPAs' tactics, the NPAs' funding, the NPAs' armaments and the NPAs' ideology, they may know but have never said--not in public, anyway.

There were speculations, of course, "Aba," we recall Sen Francisco "Soc" Rodrigo, the vice-chairman of Laban when Laban was still active and we were the deputy secretary-general, "mukhang lumalakas ang NPA." How strong the NPAs were getting, Soc couldn't say. "They are now," we said, "some 10,000, fully armed."

The one man from the opposition who saw the NPAs' real stature--what their battle plans were, where their arms and funding came from, what their actual ideology was--was Ninoy, now dead, slain by what an official fact-finding board called "a military conspiracy." And Ninoy told publicly at least five times what he saw, detailed them finally in a testimony he gave the Asian and Pacific Affairs Sub-Committee of the US House of Representatives in Washington, D.C., on June 23, 1983.

The first time Ninoy talked about the CPP and the NPAs since martial law, as far as we could recount, was in mid-January 1980. He had sent a recommendation to President Marcos for national reconciliation--creation of a Council of Elders, to begin with--without mentioning the CPP and the NPAs. But in the press copy he issued, Ninoy added: "The President (should) seriously consider the legalization of the Communist Party of the Philippines (CPP) and grant total amnesty to all dissidents (to include those in prison and those in the field), provided the CPP renounces force as a major plank in its programme of action." Should the CPP and the NPAs be legalized, Ninoy further recommended inclusion of their representatives in the Council of Elders.

Ninoy did not want to isolate the left. He wanted them to come into any reconciliation to be forged by the legitimate political parties. He saw them as "a significant factor" in any future political settlement.

But, as the records show, President Marcos ignored Ninoy's recommendations. And that was that until Ninoy got to the United States for his triple heart bypass on May 8, 1980.

Ninoy gave his first major speech in the United States on Aug 4, 1980 before the Asia Society of New York. He looked mightily improved after his heart bypass at Houston, Texas, and jerked his audience with what he told. He was pointed--briskly to the point.

"I have been told," he said, "of plans for the launching of massive urban guerrilla warfare where buildings will be blown up and corrupt presidential cronies and cabinet members (will be) assassinated, along with military officers who have engaged in wanton and rampant tortures of political prisoners."

"There are plans," he went on, "to disrupt tourism, also to kidnap children of corrupt aliens who have exploited our people mercilessly and who have profited immensely from their palace connections. Business is also on the target list: banks and companies linked with the palace and which have cornered the bulk of government credits and/or guarantees, as well as multinational corporations that have entered into joint ventures with the ruling clique. All these actions are intended to bring the Marcos regime to its knees."

"The guerrillas are well-educated, articulate young men and women who have patiently studied the latest tactics in urban warfare. They know they cannot confront Marcos frontally with his massive armed forces. But while few in numbers, these urban guerrillas will more than make up for their size with their training and expertise. In brief, very soon, the Philippines will be witness to a new kind of warfare, more vicious and more destructive than the country experienced during the height of the Huk campaign during the 1950s."

On Aug 25, 1980, speaking before a group of Filipino-American leaders in New York, Ninoy again cut cold symbols of his country, seen from a distance and gave them the edge of his rage. What he painted was an enormous, existential fresco:

"If the silent majority do not have all the hard facts, decide to do nothing but wait and see, their decision will favor the communists. The communists are in a better position right now to take advantage of an eventual collapse. The dictator insists that the communists are a real threat. Correct! But what he doesn't tell our people is that martial rule, e.g., the inevitable abuses of the military, the hopeless economy, the government riddled by graft and corruption and gimmickry is the best argument the communists have in indoctrinating and in establishing spheres of influence among the poor masses...

"If he remains obstinate, and if he continues to refuse to dismantle his institutionalized violence which is the martial law regime, our people will be the ultimate victims of an escalating violence."

And Ninoy made his thrust:

"Our concentration camps should be emptied. Many of the prisoners in these concentration camps are prisoners of conscience. Most of them are patriotic Filipinos, more patriotic perhaps than the average citizen, because they have the guts to stand up for what they believe in. Our concentration camps are the greatest blot on our landscape.

"We must survive as a people and overcome the present crisis. We must give every group in our country a chance to participate in the affairs of our community, whether they agree with our ideology or not. We are a pluralistic society and to be truly democratic we must give everyone a chance to peddle his ideas and fight for his ideology in a free market without the use of violence.

"Repression has spawned and will continue to spawn more violence in our country. Tragically, Mr Marcos is the only man who can put a stop to all these violence and senseless deaths if he will only transcend himself and for once be a true leader of his people.

"Mr Marcos has only himself to blame if more Filipinos die in the struggle for freedom."

[17 Jan 85 pp 5, 6]

["The Business of Truth" by Alfonso P. Policarpio: "How Ninoy Saw the NPAs--II"]

[Text] On Sept 20, 1972, one day before President Marcos signed Proclamation No 1081 and three days before martial law was actually imposed, Sen Benigno "Ninoy" S. Aquino Jr called us to our office in the Senate. "Martial law is coming very fast, if it is not yet with us," Ninoy said when we arrived. "We must finalize our counter-plans."

"Which plans do we put into operation?" we asked.

Ninoy said, "Plans A, B, C and D--all of them, simultaneously.

"But first, as of today, Plan B is in effect," Ninoy went on. "Get to your typewriter and I'll get to mine. We'll write Joema (Sison), tell him what's coming, what we can do and what we hope from him. We'll then finalize the letter from what we write." This was the way we made Ninoy's speeches and important papers: we wrote separately, then drew up the final draft from what we had written individually.

When the letter--it was two pages and a half--was finalized, Ninoy asked me to go to Miss X. "Ask her," Ninoy said, "to hand-carry this to Joema. Ask her to wait for Joema's reply."

It was, we thought, all very romantic, all very good. But could it work? Would it work?

Martial law was proclaimed three days later, Joema was captured--by government forces much, much later, and we never saw Miss X again but heard that she, like Ninoy and us, had also been arrested--until the first night of Ninoy's slaying. When we saw her, after the initial amenities, we asked her: "Did you get to deliver the letter to Joema?"

"Yes, I did," she said.

"What was his reply?" we asked further.

"He didn't say anything," she said. "He said he would communicate directly with Ninoy."

The lesson here is: nothing is ever what it looks like. The players change; so, too, the games. The good guys today could be the bad guys tomorrow--and vice-versa.

In the case of Ninoy, we feel the letter of Sept 20, 1972 still has relevance--no matter if, in same ways now, a bit spurious. For how did Ninoy see the NPAs just before he was slain?

In an interview with Mother Jones in mid-1983, Ninoy said the NPAs could kill him--"knock me off"--and then blame President Marcos. "That is why," he said, "Washington tells me, 'You can't go home. You will give the communists what they wanted all along.' You see, the commies hate me more than they do Marcos. To them we sing the same songs, we just don't belong to quite the same grouping. In the case of Marcos, the situation is very clear, it's Left and Right. In my case, it's blurred; because I'm a Left-Socialist. Communists don't like Left-Socialists. They sing their song, but they're not commies."

Mother Jones questioned Ninoy's "moderate democratic route" and said: "Well, let us play devil's advocate for a moment. Maybe a communist regime is right for the Philippines. It will give land reform to the peasants."

"Maybe," Ninoy said. "But I'm not ready to accept that."

"Is it possible that you're blinded by moderacy?" Mother Jones asked Ninoy.

Ninoy said, "No, I'm blinded by democracy, as I was taught. In the same way that some of my countrymen are fanatics on Marxism, I'm a fanatic for Jeffersonian democracy. I still believe that it's the best way-- with or without America. I do believe in that. I believe in a pluralistic society. I don't want to be regimented. I don't want to be able to read only one newspaper. If Marxism is so good, how come the traffic has been from East to West?"

He saw, at that time, the communist, not Mr Marcos, as "my biggest danger...because they know I'm going to set them back 40 years. I go back home, friend, and they'll be back to nine percent."

The Filipino communists in the U.S., he said, "are divided among themselves." He detailed: "They are battling like cats and dogs. They have split into three groups: the internationalist group, which is Moscow-oriented; the Maoist group, which is Beijing-oriented; and the centrist-group, the Nationalist Democratic Front, which is following the Euro-communist model. All three groups are down-playing their Russian and Chinese connections and projecting their nationalist credentials to broaden their base and bring in the entire Left as a united front."

"When I met them I said to them, 'I respect your view; you respect my view. The first thing I'll do if I ever become President is legitimize you guys. You're going to be allowed your freedom. Amnesty for all. Only on one condition: don't pick up the gun. The moment you pick up the gun, I'm (the) government. And I will hound you worse than Marcos does. But so long as you don't take up the gun--you go by the rules--you can attack me; you will have the freest press. You don't have the money? I'll give you equal time on television. You put up your electoral candidates. You win, brother, and I bring you to the palace and concede."

Mother Jones asked Ninoy what Ninoy saw happening in the Philippines in the future. "The scenario that will unfold in my country is similar to what is now happening in El Salvador," Ninoy said. "Actually, it's more of a Guatemala-El Salvador combination. That's exactly where we are headed right now. Marcos will continue to plod along, which is O.K. with the communists. The communists love Marcos. They love him. He's the best thing that has ever happened to them. From 500 men under arms before martial law, they now have 17,000--and they're expanding. They love him. He's their objective ally. And they certainly don't want him to go until they're good and ready."

[19 Jan 85 pp 5, 6]

["The Business of Truth" by Alfonso P. Policarpio: "The NPAs, As Seen by Ninoy--III"]

[Text] There are certain implacable truths about the NPAs we must confront. We may differ in assessment--Defense Minister Juan Ponce Enrile says the NPAs may force the government into a military stalemate within three years; Ninoy Aquino, just before he was killed, said he couldn't see it coming in less than 10 years; we, on our part, in 1981, held the NPAs could be a real threat in five years or, starting off from 1981, by 1986--but the basic facts are there for all to evaluate.

Ninoy monitored the NPAs well--to the point, we thought, that he was auditing them. So that, in our prognoses, we conceded he might be right and we might be wrong--although, in our evaluation, we were using the conventional ratio of one rebel to ten government troops and Ninoy had come up, from where he did, he did not explain, with a new concept of one rebel to five government troops.

"In 1972," Ninoy testified before the Asian and Pacific Affairs Subcommittee of the US House of Representatives on June 23, 1983, "military intelligence in congressional briefings placed NPA strength at about 500 armed partisans operating in four or five guerrilla fronts with an estimated mass base of 100,000. Ten years after martial rule, in 1982, military intelligence analysts admit that the NPAs have grown to a force of 5,000 to 7,000 armed partisans operating in at least 45 guerrilla fronts with a mass base estimated at one million."

"In three guerrilla fronts, the NPAs have successfully maneuvered in battalion strength, engaging the combined air, naval and ground units of the Armed Forces. Last February and March the NPA launched very bold attacks on government outposts--1,000 miles apart--in North Luzon and in Southern Mindanao. Mobilizing guerrilla units numbering more than 100, the NPAs occupied several towns for several hours after disarming the local Civilian Home Defense Forces and the held rallies in broad daylight and in the open. In two separate encounters, two Army colonels were killed together with several junior officers. In several engagements, the army had to call in artillery and tactical air support."

A short budget means a short leash, as the saying goes. The NPAs seem to have a long leash now and, therefore, must have an ample budget. Where does it come from? Ninoy told the Asian and Pacific Affairs Sub-Committee:

"Financial support has come mostly from communist cadres all over the country and from Filipino communist sympathizers abroad. One ranking communist leader claims that they do not have to import arms from abroad. "All we need is money to buy the guns and ammunition from the government troops themselves," he said.

Communist leaders, Ninoy said, "deny that they are getting outside support, although Philippine intelligence officers claim that the CPP/NPA have recently received arms from the Eastern bloc via the port of Aden."

We have, by the way, another report. It arrived on our desk a year after Ninoy was killed. It said:

"Our Intelligence contacts tell us that Vietnam has taken over the major training and support functions for the New People's Army (NPA), the military wing of the Philippine Communist Party.

"As you know, China previously was the major backer for the NPA and most of the training for the hard core cadres leading the NPA's insurgency operations was conducted near Nanning in South China's Quangxi Province.

"The drastic change in China's policies in recent years, which has resulted in a sharp decline in support for communist-led insurgency movements in Southeast Asia, has resulted in a steady drop in Chinese support for the NPAs.

"Although the Chinese still provide enough clandestine support to maintain its contacts and some influence, the major burden of training and providing material support has shifted to Vietnam.

"The Vietnamese are acting as surrogates for the Soviet Union, of course.

"And they are training more Philippine insurgents and providing more material support than the Chinese ever did.

"You are likely to see a significant increase in the influx of arms, ammunition and other military hardware in the coming months.

"What this appears to indicate is preparations for a shift to more large unit operations by the NPA in the Philippines."

A leading NPA theoretician, Ninoy told the Sub-Committee, had postured the NPAs as "engaged in a protracted struggle and are willing to enter into a coalition with anti-Marcos forces during this phase of the struggle." "He estimated," Ninoy said, "that the CPP/NPA will begin to assert itself politically only after it has attained a build-up of at least 30,000 to 50,000 armed partisans "within the next ten years"--or, to go back to what we said earlier, Ninoy's 1-5 ratio (47,200 armed NPAs to the Armed Forces' 236,000 armed troops).

"The communists have not ruled out cooperation with the other forces opposing the Marcos dictatorship. However, they select the coalition causes very carefully. One cause they have given wholehearted support is the anti-US bases coalition. They have also joined all movements toward economic nationalism."

The NPA leadership, Ninoy asserted, is no longer the unlearned Huks of the past, but bright and brilliant young intellectuals. "The leadership is composed of former university professors, students, labor leaders, farmers and even Catholic priests," he said. "The Maoist sloganeering has been downplayed after Marcos normalized relations with the People's Republic of China. Emphasis is now being placed on nationalism. To attract non-ideological opponents of the Marcos regime, the CPP several years ago created the National Democratic Front (NDF)."

"The communist buildup is steady. Moderate opposition leaders admit that the CPP/NPA is now a force to reckon with in Mindanao, eastern Visayas, in the Bicol region and in Northern Luzon. It is spectacular in depressed areas and where the military has committed rampant abuse."

Marcos, for Ninoy, is the NPAs' "best objective ally." "On the theory that 'worse is better,'" Ninoy said, "the communists attribute the massive swelling of their ranks to rampant military abuses and the deteriorating economic conditions." "At the rate Marcos is mismanaging the economy," Ninoy quoted an NPA leader, "maybe we can shorten our buildup phase from ten years to five years."

This was where Ninoy saw the NPAs when government forces killed him on his return from the United States on Aug 21, 1983.

CSO: 4200/496

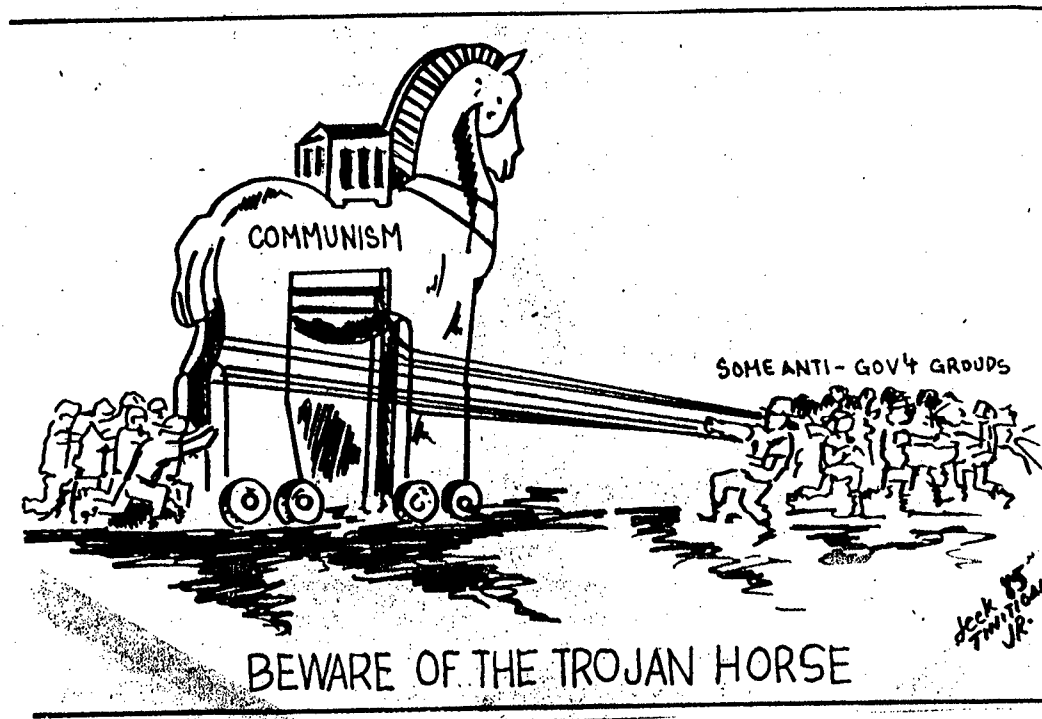


PHILIPPINES

CARTOON ILLUSTRATES CPP EFFORTS TO INFILTRATE OPPOSITION

Davao City MINDANAO TIMES in English 12-19 Jan 85 p 2

[Cartoon]



CSO: 4200/496

PHILIPPINES

KBL INTRAMURAL SPLITS REPORTED

Manila BULLETIN TODAY in English 21 Jan 85 pp 1, 12

[Article by C. Valmoria, Jr]

[Text] While unity seems to have eluded the fragmented opposition, the ruling Kilusang Bagong Lipunan (KBL) has been hit by feuds and dissensions in its ranks.

Reports indicated that warring KBL factions in at least five provinces--Pangasinan, Laguna, Sorsogon, Mindoro Oriental and Mindoro Occidental--appear to be irreconcilable at this stage.

However, Deputy Prime Minister Jose A. Rono, KBL secretary general, assured the party has begun mending its political fences in these "problem" provinces in preparation for the 1986 local elections.

Rono expressed optimism over the success of current talks to reconcile the warring factions in the face of a determined opposition bid to gain control of a majority of the local government units in 1986.

The reports said that in Pangasinan, Gov Aguedo Agbayani has been at odds with Agrarian Reform Minister Conrado Estrella, KBL regional chairman, who maintains that under party rules, Agbayani has expelled himself from the KBL.

Agbayani defied the party and fielded his son as independent candidate in the May 14 Batasan elections. His son topped the polls.

The feud between Laguna Gov Felicisimo San Luis, on one hand, and Member of Parliament Luis Yulo and Vice Gov Rodolfo Tingson, on the other, remains unresolved.

San Luis put up his own ticket against the KBL official slate in the May 14 Batasan polls. However, only his son-in-law came out winner.

In Sorsogon, reports said local KBL leaders are up in arms against Gov Raul Lee. They claimed Lee campaigned for "no" votes in the plebiscite for ratification of some constitutional amendments last year.

MP Pedro Mendiola of Mindoro Occidental does not see eye-to-eye with Gov Arsenio Villarosa. The governor fielded his wife as independent candidate against Mendiola who was the KBL official bet. Mendiola won by landslide.

In Mindoro Oriental, Gov Hicoblino Catly was reported to have junked former Gov Alfonso Umali, a KBL bet in the May 14 Batasan elections, in favor of independent candidate Herminio Ererita. Both candidates lost. Elected were KBL bet Reynaldo Morente and Unido's Rolleo Ignacio.

The reported feud between Surigao del Norte Gov Rolando Geotina and MP Constantino Navarro, Sr was reported to have been settled, although Geotina insisted there was no such feud.

Despite these reports of dissensions in the KBL ranks, Rono said these misunderstandings can be settled and that the KBL will remain united, cohesive and strong. "It will remain undefeated," he added.

Rono noted that there is, on the side of the opposition, every frantic move to consolidate its forces and unite the otherwise splintered political parties and factions outside the ruling KBL.

CSO: 4200/523

PHILIPPINES

CB HEAD PROMISES TO EASE IMPORT RESTRICTIONS

Manila BULLETIN TODAY in English 22 Jan 85 pp 11, 12

[Article by Loreto Cabanes]

[Text] After sharply cutting the volume of imports last year when the foreign exchange resources of the country were extremely tight, the Central Bank may now permit a relatively higher level of importations starting this year now that the financial package is already in place.

This was promised by Central Bank Gov Jose B. Fernandez Jr in his address before the joint meeting yesterday of the Management Association of the Philippines and the Financial Executive Institute of the Philippines at the Hotel Intercontinental Manila.

Fernandez said that the new financing negotiated with the country's creditors would permit the needed adjustment in imports to take place in a "less harsh atmosphere."

As the CB consumed almost the entire year last year negotiating and arranging the financial package with the International Monetary Fund and the other creditors, a deliberate policy to cut imports was followed to see to it that the balance of payments situation did not deteriorate any further.

As a result, imports were trimmed down by 20 percent in value last year, enabling the balance of payments to register a "modest" surplus of \$286 million from a deficit of \$2.1 billion in 1983, Fernandez said.

Noting that the economy cannot achieve growth if imports remained severely curtailed, Fernandez pointed out that there is now a "critical need" to finance imports at higher levels than in the past year.

In this connection, he announced that the monetary board last Friday approved two measures which permit industries to buy their requirements without too much hassle.

The first increased the amount of the aggregate value of importation of an importer per calendar month for machinery and equipment without prior approval from the CB from \$10,000 to \$50,000 and established procedures for processing of imports in excess of \$10,000 on a credit basis.

The second also increased the amount of foreign exchange which commercial banks may hold to 50 percent of their outstanding regular letters of credits from the previous 30 percent.

Fernandez said the financial package negotiated with the country's creditors including the IMF, should provide for the financial requirements of the country between 1984 and 1986 of \$14 billion.

This package consisted of a new money from commercial and official sources of \$3.4 billion, debt rescheduling of \$7.1 billion, trade facility of \$3.0 billion and the IMF facility of SDR 615 million (\$610 million).

He added that during the same period the CB expects to achieve a cumulative BOP surplus of \$2.7 billion, eliminate all external payment arrears estimated at \$2.5 billion and build up gross international reserves to \$1.5 billion in 1986.

But the new loans will also increase the country's outstanding external indebtedness to \$28.7 billion by the end of 1986 from \$24.8 billion in 1983, he said.

Debt service during the same period is expected to be lightened as the proportion of short-term debt to total debt is anticipated to decline from 38 percent in 1983 to 21 percent in 1986.

Fernandez, however, warned that the external payments position during the next few years will remain to be difficult as he urged the government and the private sector to continue restraint in the use of resources.

A new round of debt restructuring negotiations is to be undertaken after 1986, he disclosed.

To successfully carry out the economic stabilization program, Fernandez announced that the thrust of the CB would be to continue further reduction in inflationary pressures, bringing down of the interest rates, better and efficient mobilization of resources, and seeing to it that appropriate supply of credits is provided.

CSO: 4200/523

PHILIPPINES

MNLF KIDNAPS CATHOLIC BISHOP, JAPANESE BUSINESSMEN

Bishop, Eight Others Taken

HK221308 Hong Kong AFP in English 1255 GMT 22 Feb 85

[Text] Zamboanga, Philippines, 22 Feb (AFP)--A Roman Catholic bishop and eight companions were kidnapped by armed men suspected to be Moslem separatists near this southern capital today, eyewitnesses and military officials said.

Bishop Federico Escaler, a Jesuit, and the others were taken into a forest by the barefoot men after the small truck they were riding was blocked on the road, two women passengers who were set free told reporters.

Military officials said the kidnappers, who were speaking in the dialect of the Tausug Moslem tribe, may be guerrillas of the Moro National Liberation Front (MNLF), which is campaigning for a Moslem state here in Mindanao Island.

MNLF bands have been kidnapping people for ransom.

Bishop Escaler, 62, an outspoken figure known for his anti-government stance, was taken away with a nun, his secretary, a schoolteacher, a principal, two high school boys, his driver and a former nun, the freed passengers said.

The women, Teresa Molina, 63, and Lilia Ignacio, 45, said their vehicle was blocked by three men on a deserted spot about 70 kilometers (42 miles) from here where they were headed from Ipil, Bishop Escaler's prelature.

At least seven other armed men then appeared and took the group into the forest, where the two women were freed after some distance because one of them could not walk any further, the women added.

The women said they walked back to the road and were able to get a ride to this city, which has jurisdiction over the kidnapping site.

Mrs Ignacio, who was badly shaken as she related the story, said the men wore plain fatigues and were armed with automatic rifles. She said they shot the truck's left front tire when the passengers took too long in getting out of the vehicle.

"Nothing will happen to anyone of you. We'll talk when we reach the next hill," Mrs Ignacio quoted one of the men as saying.

She said they were stripped of their valuables during the trek.

Bishop Escaler introduced himself to the kidnappers but was apparently ignored, Mrs Ignacio said.

No ransom or other demands were transmitted by the kidnappers.

#### Kidnappers Kill Three During Retreat

HK240049 Manila Far East Broadcasting Company in English 2300 GMT 23 Feb 85

[Text] In Zamboanga City, the kidnappers of a Roman Catholic bishop and eight other people killed three men they encountered as the band retreated deeper into the hills with their hostages. Regional military official Major General Delfin Castro told local church leaders in a briefing there were no indications that the Reverend Federico Escaler or any of the other hostages had been harmed.

In Manila, acting armed forces chief Lieutenant General Fidel Ramos ordered the armed forces yesterday [23 February] to use all available military and police forces to rescue Escaler's party, while ensuring none of the hostages are harmed in the process.

Escaler was traveling Friday morning with his party to Zamboanga City from his diocese in Ipil when about 20 armed men stopped their vehicle and marched all its occupants into the bush. Two women and a group of 10 were released later, but the abductors kept the bishop, a nun, 4 other women, 2 male students, and the driver.

#### Bishop Released; Japanese Businessman Kidnapped

HK251150 Quezon City Maharlika Broadcasting System in English 1100 GMT 25 Feb 85

[Text] Roman Catholic Bishop Federico Escaler and eight others were released at 2:45 [0645 GMT] this afternoon. The release came 45 minutes after the deadline given by the military for their release. Vicente Pena, of the office of media affairs in Zamboanga City, says the kidnap victims were freed unharmed. Added details from Jun Francisco:

[Begin recording] Pena said Southern Command chief Major General Delfin Castro announced the news of the successful negotiations conducted by [words indistinct] and a brother of MNLF commander [words indistinct]. The freed men were accompanied from a hilly area where they were held [words indistinct]. Pena said three helicopters took off from the Edwin Andrews Air Base to fetch the kidnap victims. Latest word from Zamboanga City's Archbishop Monsignor Francisco Cose, which was received by this reporter by long distance telephone, said the kidnap victims are expected to arrive at six tonight at Andrews Air force Base in Zamboanga City.

Monsignor Escaler and 10 others were aboard a small bus bound for Zamboanga City from Ipil town when they were abducted by the MNLF. Should this be two women from the bishop's group were freed the same day but the others were forced to walk into the forest hide-out of the kidnappers.

Meanwhile another kidnapping incident occurred in Jolo. This time the victim was a Japanese businessman identified as (Shikihiro Ishikawa). His Filipino guide, reports reaching the Defense Ministry said, was found dead. (Shikihiro), according to messengers of the MNLF, had been [word indistinct] to a group which is still holding an American and a German kidnapped last November in Jolo. The kidnapping of the Japanese is the second incident to occur in less than 5 days. [end recording]

CSO: 4200/583



PHILIPPINES

FORMER PRESIDENT MACAPAGAL ENDORSES SALONGA

Manila BULLETIN TODAY in English 24 Jan 85 p 11

[Text] Former President Diosdado Macapagal, titular head of the Liberal Party, said Monday that the LP is offering to the nation the leadership of former Sen Jovito R. Salonga who can lead it "to better times and a brighter future."

Macapagal made the statement upon the return of Salonga from the United States.

The nation, he said, is in distress and agony, and yearns for a new leadership "to pull it up from the deep ravine of retrogression, degradation and decay into which it has fallen in the last 13 years."

Macapagal's statement follows:

The need today is for a leader of great intellect capable of grasping the complexities of the massive problems that have piled up to be able to decide on the right solutions. The leader should be equipped with a noble and strong moral character whose integrity and deep sense of justice can overcome the evil forces that have ravaged our people and bind their searing wounds. He should have outstanding experience and performance in government which can provide the statesmanship and wisdom to restore the country to the path of freedom and progress and to a place of equality, independence and dignity in its dealings with other nations.

"The Liberal Party, one of the two great parties which have built this Republic since independence, once again humbly offers our countrymen such a leadership who, if given a chance, can lead our extremely troubled nation to better times and a brighter future in the person of the highly esteemed Filipino whom the country welcomes home today, January 21, former Senator and present Liberal Party President, Jovito R. Salonga.

"In offering a new leader to our country in its hour of agony and despair, the LP with humility presents its credentials as the political party which has given three of the six Presidents of the Republic and two other Presidents who were also drawn from the party by the rival Nationalista Party to merit the support of the people. In the presidential election of 1973,

had not Martial Law been imposed and the election cancelled, it is conceded by most impartial observers that the LP would have provided the Republic's seventh President: either the party President, Gerardo Roxas, or its Secretary-General, the assassinated and now martyr and hero, Benigno Aquino, Jr.

"At the time of Martial Law, the LP was the official opposition party of the democratic Republic and its four highest leaders were Roxas, Aquino, Osmena Jr., and Salonga. Unyielding in its resistance to despotism, the party lost successively beginning 1982 the lives of three of its four leaders, Roxas, Aquino and Osmena, Jr., leaving Salonga as the remaining leader who also survived the bombing of LP leaders in Plaza Miranda shortly before Martial Law despite his very serious injuries."

CSO: 4200/523

PHILIPPINES

AUDITORS REBUKE SEVEN GOVERNMENT FIRMS

Manila PHILIPPINES DAILY EXPRESS in English 21 Jan 85 p 16

[Text] Seven government corporations have been asked by the Commission on Audit (COA) to correct the discrepancies or defects in their financial operations and refrain from deviating from prescribed accounting procedures.

The COA said that the discrepancies were discovered in the accounting of corporate revenues, investment activities and recording of assets of these state firms.

The seven corporations are the Manila International Airport Authority (MIAA), National Housing Authority (NHA), Bliss Marketing Corp. (Blissmark), NIDC Oil Mills, Inc., Philippine National Railways (PNR), Philippine International Trading Corp. (PITC) and Philippine Tobacco Administration (PTA).

Records showed that COA resident auditors rendered adverse opinions on the financial statements of these corporations in 1983. This means that the audit assessments showed that either their financial statements were not fairly presented or the non-conformity with generally-accepted accounting principles was very evident.

The financial statements submitted by the MIAA merited an adverse opinion from the resident auditor because of the firm's failure to present its consolidated balance sheet of assets and liabilities in 1983.

The auditor also found out that the MIAA collected P43.2 million as prior years' receivables but this was credited as current year's income. The airport authority also failed to remit this amount to the national treasury as of the end of 1983.

The COA representative also asked the MIA management to stop the unauthorized use of its income to pay corporate obligations without prior approval of its budget by the Office of Budget and Management.

As a remedial measure, the audit commission recommended the setting up by the MIAA of a trust liability account for collection of prior years' receivables and adjust said account the moment transfer of accounts had been finalized.

In the case of the NHA, the COA noted that its inventory of certain assets valued at P12.13 could not be reconciled with the physical count due to the non-submission of inventory report. The corporation's receivables and payable accounts were not confirmed as of the end of 1983, the audit body said.

The COA unit auditor took exception to the income statement of the PNR in 1983 because of its practice of using cash basis of accounting in recognizing rental income, instead of the accrual basis.

The commission said that the PNR's system of depreciation of property, plant and equipment was found to be inadequate or inapplicable for certain items.

The PNR in 1983 incurred a net loss of P47.8 million which could have been bigger if not for the infusion of funds from the national government in the forms of P79.7 million as corporate equity investment and P7.6 million as subsidy.

The resident auditor gave an adverse opinion on the financial statements of the Blissmark in 1983 due to its inability to account for the inventory of merchandise for sale worth P1.8 million and fixed assets worth P340,764.

Blissmark, a corporation under the Ministry of Human Settlements, is engaged in marketing products produced by various government-supported livelihood projects.

A COA audit report revealed that Blissmark's investments in cash and merchandise totalling P1.7 million with the defunct Bayshore Marketing Inc. and in stocks amounting to P4 million in Grolac Food Corp. are "unrecoverable."

Unliquidated cash advances of P1.8 million issued to Blissmark's officials and employees had not yet been settled as of year-end, the audit report said.

The COA also disclosed the adverse findings on the operations of the three other government corporations as follows:

1. NIDC Oil Mills, Inc.--the COA expressed doubts on the validity or propriety of the inclusion in the corporation's balance sheet of certain advances, receivables and investments in the aggregate amount of P60.9 million.

The commission discovered that the bulk of these advances or P50 million was invested in a distressed affiliate firm that has incurred losses since its creation. Hence, the possibility of repayment of these advances is almost nil, the COA said.

2. PITC--the COA resident auditor discovered discrepancy in certain expenses of the PITC, which were classified as deferred charges thereby resulting in its declaration of a net income of P979,349 instead of a net loss of P17.3 million in 1983.

3. PTA--based on COA's findings, there was an overstatement of inventories--items for resale (tobacco and irrigation pumps) by P4.7 million.

The PTA had been unable to collect long outstanding receivables totalling P935,000, the audit commission said.

The COA also noted the improper booking of the corporation's physical assets resulting from non-reconciliation of the physical inventory and accounting records. (PNA)

CSO: 4200/523

PHILIPPINES

FERNANDEZ WARNS AGAINST EASING ECONOMIC MEASURES

Manila PHILIPPINES DAILY EXPRESS in English 22 Jan 85 p 16

[Article by George T. Nervez]

[Text] Central Bank Gov Jose B. Fernandez Jr. yesterday warned that the country faces a "difficult road" to economic recovery and that any easing up of reforms already in place would cause a "fatal setback" on gains already made under the adjustment program.

The CB head told a big group of finance and management experts that modest gains have so far been achieved in curbing inflation and reducing the deficit in the balance of payments (BOP).

But, he warned, there should be no easing up on crucial but unpopular adjustment policies until a sustainable growth with BOP stability have been achieved.

Fernandez said that in the past year the following gains have been achieved:

--A small but meaningful BOP surplus of \$286 million, from a deficit of \$2.1 billion in 1983.

--Reduction in the current account deficit to \$1.1 billion from \$2.7 billion in 1983. This was better than earlier projections of \$1.5 billion.

--Increase in the CB's gross international reserves to \$884 million, slightly higher than the end-1983 level.

--Continued moderation in the inflation rate.

--Modest expansion in exports of six percent.

--20 percent drop in imports.

He said foreign exchange receipts from overseas workers remittances and from tourism dropped 27 percent and 25 percent, respectively.

Fernandez pointed out that in 1984, the major burden of adjustment was a reduction in imports that amounted to 20 percent.

However, the 5.5 percent contraction in the economy last year means that import will have to be increased this year.

The CB head said that a financing package has already been firmed up with IMF and the creditor banks, which would raise a total of \$14 billion to support the recovery program up to mid-1986.

This consists of \$3.4 billion in new money from official and commercial sources, \$7.1 billion in restructured debts, \$3 billion trade credits, and \$615 million standby credit from the International Monetary Fund (IMF).

The additional financing would raise the country's total foreign debts from about \$24.8 billion at end-1983 to \$28.7 billion by end-1986, he said.

Fernandez said projections indicate that the country's cumulative BOP surplus after debt restructuring and new money could reach \$2.7 billion over 1984-1986 as against an overall BOP deficit of \$5.3 billion before financing.

"We intend to completely eliminate our external payments arrears by the end of 1985 and we will work towards an increase in the gross reserves of the CB from \$865 million at end-1983 to \$1.5 billion by end-1986," Fernandez said.

The CB head said the proportion of short-term debt to total foreign borrowings is projected to drop from about 38 percent at end-1983 to 21 percent at end-1986.

However, despite the expected improvement in the foreign debts picture, the BOP position would remain difficult. "A new round of debt renegotiations should be anticipated after 1986," he added.

CSO: 4200/523

PHILIPPINES

MINDANAO WORKERS PLAN STRIKE TO PROTEST HARASSMENT

Quezon City ANG PAHAYAGANG MALAYA in English 22 Jan 85 pp 1, 6

[Text] Davao City--Sixty-four union leaders and representatives from at least 8 labor federations and alliances all over Mindanao meeting last Saturday in this city finally decided to stage a Mindanao-wide workers' strike in "reaction to the spate of violence, bloodshed and other forms of interference in strikes, pickets and other legitimate union activities."

The exact date and the specific form of such protest will be announced by the Davao City-based Center for Nationalist Trade Unions of Mindanao (CENTRUM), but labor leaders said they have agreed the strike would last from one to two days only if not harassed by the military.

As this developed, Nick Elman of the Kilusang Mayo Uno (KMU) and Cipriano Malonzo of the National Federation of Labor (NLF) who were both present at the Mindanao Union Leaders Forum said they would call for a "special meeting" of the KMU national council to ask the militant organization's support for the Mindanao workers' strike.

The planned labor strike, the first that will be launched this year, is in protest against alleged military and police interference at workers' picket lines and the recent killing of two strikers at the Franklin Baker Corporation of the Philippines (FBCP) and another active worker of the Davao Gulf Lumber. Both firms are in Davao.

Slain FBCP workers were Willy Agustin and Nestor Macalinao. They were killed while 7 others were injured when armed men, using a getaway car, opened fire on their picket line Jan 10.

Believed 'salvaged' was Mario Canillo, 25, of the Davao Gulf Lumber. His headless body was found Dec 26 dumped along the Buhangin Diversion road, this city, about a week after he was arrested reportedly by soldiers and ICHDF men in dragnet operation in Toril district, also of this city.

Reports of alleged military interference at workers' picket lines and alleged death threats received by labor leaders were also disclosed by workers from at least 10 Mindanao business firms which had experienced labor disputes last year and early this year.



While calling for a coordinated labor strike, the workers said they had agreed to issue a statement condemning alleged military harassments and to demand for the release of all detained labor leaders.

The workers also passed 11 resolutions calling for an end to retrenchment of workers, the non-interference of soldiers in labor disputes and to demand for the implementation of Wage Orders Nos 1 to 6, a daily wage of P97.60 and the resolution of pending labor strikes in favor of the protesting workers, among others.

The union leaders also disclosed there would be a funeral march for the two slain FBCP workers on January 23.

Those who attended the forum were representatives from Surigao-Agusan Workers Solidarity (SAWS), Nagkahiusang Mamumuo sa Habagatang Mindanao (NAMAHEMIN), Nagkahiusang Mamumuo sa Misamis Oriental (NAMMO), Nagkahiusang Mamumuo sa Lanao (NAMALAN), Kasadpang Alyansa sa Mamumuo (KASAMA) and the Solidarity of Workers for the Restoration of Democracy (SWORD).

Leaders of the Southern Philippines Federation of Labor (SPFL), the National Federation of Labor (NFL), as well as of independent labor unions and some 36 guests also attended. (Media Mindanao News Service)

CSO: 4200/496

PHILIPPINES

OVER 260 MANILA POLICE LISTED AWOL

Quezon City ANG PAHAYAGANG MALAYA in English 19 Jan 85 p 2

[Article by Erwin Tulfo]

[Text] About 261 cops are at present on absence without official leave (AWOL) from their respective units.

This disclosure came even as the National Police Commission (Napolcom) asked the four police superintendents to explain the whereabouts of these cops and why they continue to receive their salaries.

Lawyer Alfredo Pagulayan, Napolcom assistant commissioner, told Malaya yesterday that the AWOL cops have ceased reporting at their respective stations.

Pagulayan said the police superintendents should be able to know the whereabouts of these policemen.

Based on Napolcom records, at least 142 cops are on AWOL at the Western Police District; 61 at the Northern Police District, 38 at the Southern Police District and 20 at the Eastern Police District.

Pagulayan also said that the case will be submitted to Defense Deputy Minister Teodulo Natividad, concurrently Napolcom chairman, who in turn will endorse the case to Defense Minister Juan Ponce Enrile and acting AFP Chief of Staff Fidel Ramos for disposition.

Meanwhile, Napolcom sources said if the police superintendents are found to be negligent in disciplining their men, they will be subject to investigation.

But if the fault lies with the station commanders, then they will be liable since the cops are directly under them.

CSO: 4200/496

PHILIPPINES

CEBU EDITORIAL BLAMES 'BAD' CHINESE FOR PROBLEMS

Cebu City VISAYAN HERALD in English 23 Jan 85 p 3

[Editorial: "The Chinese in Our Community"]

[Text] The Chinese community in Cebu as elsewhere in Philippines has the advantage of economic superiority over Filipinos. The Chinese know their business: they make money while others fail.

Their main forte is business. In competition they survive because unlike Filipino businessmen, they are usually content to make marginal profits; in contrast to a killing their competitors usually make, but lose patronage. When there is a need to speculate, they store mountains of goods in their giant bodegas. A Chinese who gets it rough sailing usually gets a helping hand from a fellow Chinese. Generally, the Chinese don't get jealous of a fellow Chinese who makes good in the trade.

Hence, we find the Chinese in control of economic activities while fellow Filipinos only get the crumbs and only get salaries from them as mere employees. The Chinese deserve their standing: they work for their status very hard.

But there are unscrupulous ones and these Chinese are hated by their fellow nationals. The bad ones are smugglers, corruptors of Philippine officialdom. They get to the top by any means, more of them foul. Look at the big smuggling scandals in Cebu: these nefarious deals and activities are financed by millionaire Chinese businessmen who know no morality in business. They fork over thousands in order to get smuggled goods across. They are the ones who line the pockets of military men and customs officials with blood money. They are the saboteurs of the economy-destroying morality in public service, contributing so much to the erosion of public confidence and bringing the faith of the people down the drain.

Decent Filipinos should declare war against all the bad practices of these Chinese. The bad Chinese are devils in our midst.

CSO: 4200/523

PHILIPPINES

MILITANT LABOR ACTIVISTS FEAR GOVERNMENT CRACKDOWN

Cebu City VISAYAN HERALD in English 24 Jan 85 p 2

[Article by Rowena Caranza]

[Text] Barely three years have passed since the government crackdown on militant labor leaders and organizers in 1982. Many were detained and tortured while others simply disappeared.

The economy was disintegrating and hungry workers took to the streets demanding higher wages. While Ferdinand Marcos, for 19 years the president of the Philippines was then preparing for his visit to Washington, the militant labor movement was momentarily crippled by the crackdown. It was only last year, after two and a half years, that the labor sector was able to fully recover.

After two and a half years, however, the signs are back, say militant labor activists: the government is preparing another crackdown.

The most telling of these signs appears to be Labor Minister Blas Ople's repeated warnings of "terrorists" infiltrating the workers' ranks and inciting them to sabotage the economy.

KMU (Kilusang Mayo Uno--May First Movement, the militant workers' federation) says that this is part of a build-up for the eventual arrest and detention of trade union militants. It is meant to prepare the public for the event and to prevent a massive outcry against it.

But why a crackdown now?

If the Philippine economy in 1982 was bad, it can only be described now as a disaster. Workers are demanding more humane wages and many are opting to strike. They are also a leading force in the parliament of the streets and are now capable of waging coordinated protest actions. The labor movement is, in fact, reaching unparalleled strength and militance.

These are all bad for the tarnished image of the New Republic, say KMU spokespersons and give the lie to Malacanang (the presidential palace) pronouncements of "economic recovery." The cheap and docile labor force,

the government's come-on to foreign investors, is stirring and threatens to become an explosive force. The labor groups organizing them have to be whipped into line.

KMU spokespersons also say that the economic recovery program, duly approved by the International Monetary Fund and the World Bank and now being implemented by the Marcos government, must not be compromised by reports of labor unrest. Reactions from workers to policies of low wages and high taxes, from the government's viewpoint, need to be controlled and dampened to prevent larger, more coordinated strikes.

In addition, the local and presidential elections are nearing. Like the Batasang Pambansa (National Assembly) elections of 1984, they are to assure the world that there is democracy in the Philippines. Any attempt to stage another boycott must be halted, and the workers, who are more concerned with economic problems and many of whom believe elections will not feed their families, can be, as they were in 1984, at the spearhead of such a boycott.

Indeed, militant trade union leaders are predicting that the ax will fall by the middle of this year before the usual peaking of the protest movement in September and before next year's elections.

A labor organizer, Ka Peping, says: "Despite the charges in 1982 that KMU and other labor groups were subversive, we were able to resist the repression and the loss of our officials, including Bert Olalia (KMU president who died soon after being released from military custody). We even won the sympathy of the people crackdown, and we are prepared to fight, if need be, with our lives."

Bob Ortaliz, acting KMU secretary-general, also declares: "There is always the threat of a crackdown. Even if there will be one or not, we will still continue to fight for our rights--the right to live decently, the right to organize, the right to strike, and the right to free expression. The Filipino workers shall eventually free this country from the foreign powers who exploit and oppress us." (PNF)

CSO: 4200/523

## PHILIPPINES

## GOVERNMENT BANKS RECAPITALIZED UNDER IMF REQUIREMENT

Manila BULLETIN TODAY in English 24 Jan 85 p 13

[Text] The rehabilitation and restructuring of the three government financial institutions required under the government's letter of intent to the International Monetary Fund got underway with the promulgation of three decrees providing for hikes in the capitalization of each of them.

The three are the Development Bank of the Philippines, the Philippine National Bank and the Philippine Export and Foreign Loan Guarantee Corp.

Decree No 1964, announced by Malacanang the other day, raised the authorized capital of the DBP from P10 billion to P50 billion.

Decree No 1963, released yesterday, raised the authorized capital stock of the Philippine National Bank from P5 billion to P25 billion.

Decree No 1962 also released yesterday, increased the authorized capital of Philguarantee from P250 million to P10 billion.

All three decrees were signed by President Marcos on Jan 11, 1983.

In all the decrees, President Marcos referred to the current economic crisis as amounting to a "grave emergency" affecting the stability of the nation.

The financial position of these three institutions were found by the IMF and the WB as weak as a result of the proliferation of problem accounts that severely restricted their operations in the recent past and will remain so in the future unless a restructuring program for them was undertaken immediately.

At the end of 1983, the PNB reported a paid-in capital of P2.8 billion and a net worth of P4 billion.

It also reported a net profit of P234.7 million in 1983, of which P117.4 million was authorized by the President to be declared as stock dividends.

The 1984 figures are still unavailable.

The bank's new capital base, authorized by PD 1963 issued on Jan 11, 1985, consists of 250 million shares with a par value of P100 per share.

Under the decree which amends the 1975 revised charter of the bank, the government is to fully subscribe and pay for the capital increase, subject to the exercise of pre-emptive rights by existing private stockholders.

Private stockholders, however, account for less than 1.0 percent of the bank's old capital base.

Of the total stock, the decree also provided for one million shares of preferred "A" shares available for sale to or subscription by the general public at 10 percent dividend rate, two million shares of preferred "B" shares available for sale to or subscription by Filipino citizens only, and 500,000 common "A" shares exclusively available for subscription at par by officers and employees of the bank.

CSO: 4200/523

PHILIPPINES

BANK TO GET NEW MONEY BUT NOT RESUME LENDING

Manila PHILIPPINES DAILY EXPRESS in English 23 Jan 85 p 16

[Article by George T. Nervez]

[Text] The Development Bank of the Philippines (DBP) expects to get this year close to P10 billion fresh capital funds from the national government.

However, despite the infusion of new money the DBP would not be able to resume normal lending because the additional funds will be used to pay off foreign loan guarantees and other obligations, DBP chairman Cesar Zalamea said yesterday.

Part of the funds would be lent to previously approved projects that are in their initial stages of implementation and are still found viable, he said.

The bank's authorized capital was ordered raised by the President from P10 billion to P50 billion so that the DBP could carry out its development financing functions.

However, he said that out of the DBP's previous authorized capital of P10 billion, the national government has remitted only about P7.9 billion.

The national government last year approved P5.4 billion capital outlay, but so far the DBP has received only P3.7 billion.

The remaining P1.7 billion is expected this year, Zalamea said.

Also for 1985, Prime Minister Cesar Virata has approved further capital contributions of P7.5 billion to the DBP, Zalamea added.

Zalamea said he expects to finalize shortly the bank's funding needs for 1986. This will be submitted to the Prime Minister for approval.

The DBP head said the government's capital contribution, thus far, were intended to meet the bank's "barest minimum" funding needs.

"The 1986 program would include minimal resumption of lending operations," he added.



DBP lending has been closed for over two years due to lack of funds because a lot of its money has been locked in with distressed multi-million peso enterprises.

Zalamea also said the national government will have to come up with the bulk of DBP's capital needs because it has only about P400 million undivided surplus, which could be converted into equity.

"Moreover," he said, "what the bank needs is new money and not those that are already in.

CSO: 4200/523

14 March 1985

## PHILIPPINES

## NEW LOAN, TRADE FACILITY SAID TO HAVE HIT 'SNAG'

## Saudi Bank Questions Terms

HK230531 Manila BUSINESS DAY in English 22 Feb 85 p 2

[Article by Rigoberto D. Tiglao]

[Text] The finalization of the new commercial loan and revolving trade facility to be extended by the country's bank creditors has hit a snag, with the unexpected refusal of a major Saudi Arabian creditor bank to go along with the financial package, BUSINESS DAY sources in the foreign banking community disclosed.

They claimed that the National Commercial Bank, the biggest Saudi Arabian bank, informed the international advisory committee for the Philippines that it has decided to question certain terms of the \$925 million new loan and the \$3 billion revolving credit facility. They said that Central Bank Governor Jose B. Fernandez Jr., had to leave for New York to assist the advisory committee in convincing the Saudi Arabian bank to agree to the financial package.

It could not be determined, however, what among the terms of the financial package the Saudi Arabian bank is questioning. A foreign banker noted that it "seemed strange that it (the Saudi Arabian bank) raised its reservations only at this time." The foreign bankers, however, said they are still hoping that the scheduled signing of the agreements will still push through on 26 February. They noted that the offices of the members of the 12-bank advisory committee here in Manila have not received any communication from their headquarters that the 26 February signing has been put off.

An executive in a foreign bank here in Manila said, on the other hand, that a number of foreign banks, even including those with offices here in Manila, have only received in the past 2 weeks a communication from the advisory committee explaining to them the mechanics for the revolving trade and inquiring whether they have questions regarding these mechanics. This means, he said, that the details for the trade facility have not been firmed up since the advisory committee would have to wait for all of the banks' responses. The committee could decide, he added, to put off the effectivity date for the trade facility later than the scheduled 26 February signing.

Effectivity: There are strong indications that even if the accords are signed next week, they would come into effect only in late March. Under the terms for the new money facility, the first drawdown of \$300 million may be made by the Central Bank [CB] only after it draws on the second tranche of the International Monetary Fund's (IMF) standby credit arrangement. The terms for the IMF facility, however, require that the first review of the country's adjustment program should first be completed. This is scheduled to be completed before 15 March. However, the IMF mission which will be undertaking the review so far has not arrived and the CB has not yet been told when the mission will be arriving. The revolving trade facility in turn is tied up with the new money facility, since it will be effective only on the first drawdown on the new commercial loan.

#### Virata Cites 'Technical Problems'

HK250147 Manila BULLETIN TODAY in English 24 Feb 85 p 23

[Text] Signing of the \$925 million new money and the \$3 billion revolving trade facilities with the country's foreign bank creditors has been put back from the original schedule of 26 February due to some technical problems.

This was confirmed by Prime Minister Cesar Virata Friday night. He declined to elaborate on what the problems were that affected the timetable of the signing nor when the final signing would be held.

However, bankers said that the delay would not take very long and the loan documents may finally be signed the first or second week of March.

This was the second time the signing has been put off. It was originally scheduled for signing by the parties last 18 February but due to the difficulty of finalizing the loan documents individually with the 483 creditor banks, it was postponed to 26 February.

CSO: 4200/582

PHILIPPINES

REPORTAGE ON WORLD BANK MISSION TO MANILA 25-28 FEB 85

Meetings With Top Officials

HK240808 Quezon City Maharlika Broadcasting System in English 0800 GMT 24 Feb 85

[Text] A four-member World Bank mission is scheduled to visit Manila on 25 to 28 February. The mission will discuss with top Philippine officials the bank's lending program to the country. (Pasteur Sison), chief of the World Bank's information division and a member of the delegation, arrived ahead of the others last Thursday to pave the way for media coverage of the group's activities in Manila. The World Bank mission is expected to meet with President Marcos, Prime Minister Cesar Virata, Trade and Industry Minister Roberto Ongpin, and Central Bank Governor Jose Fernandez.

Meeting With Marcos

HK261240 Manila Far East Broadcasting Company in English 2300 GMT 25 Feb 85

[Text] The World Bank will continue to extend technical and financial assistance to the Philippines in support of the country's economic recovery program. This was assured by World Bank President for East Asia (Atilla Karasmanoglu) who called on the president yesterday [25 February] at Malacanang. The World Bank official said the World Bank is giving priority to the Philippines' agricultural and other projects to hasten economic stability. The World Bank is the country's biggest source of development funds. Negotiations are currently going on with the bank for a \$100 million loan for fertilizer, pesticides and other farm inputs.

CSO: 4200/582

PHILIPPINES

DAVAO EDITORIAL URGES PRICES ROLLBACK

Davao City MINDANAO TIMES in English 12-19 Jan 85 p 2

[Editorial: "Roll Back Prices of Goods"]

[Text]

The prices of oil and its products were rolled back at an average of 22 centavos per liter on order of President Marcos.

Naturally the general public now expects that the prices of manufactured goods and transportation fares would also be reduced correspondingly.

But would this be the case?

In Davao City we already had the sad experience of motor vehicle operators and drivers refusing to cut back fares after the prices of oil and its products have been reduced.

As a consequence, even kangkong vendors held on to their prices blaming the high cost of transporting the vegetable, from farm to market, as the cause of the high prices.

The authorities, therefore, should determine what should be the fair prices of goods, allowing a reasonable margin of profit to the producers and sellers, and to enforce these fair prices without interfering with the system of free enterprise.

In times of economic adversity, the government is called upon to stop man-made shortage of supplies, hoarding and profiteering in the interest of the public.

CSO: 4200/496

PHILIPPINES

COMMUNIST INVOLVEMENT IN SURIGAO STRIKE REPORTED

Davao City PEOPLE'S DAILY FORUM in English 24 Jan 85 pp 1, 6

[Article: "PICOP Strikers Realized They Cannot Eat Communism"]

[Text] Mangagoy, Bislig, Surigao del Sur--After fourteen days of tough negotiations striking workers of the Paper Industries Corporation of the Philippines (PICOP) here are back to their posts.

The strikes, which operations vice president Ricardo G. Santiago called illegal, broke out December 31 last year and ended with the signing of a back to work agreement early dawn of January 14.

"All's well," Santiago said of the strike which had started with a 1,000 maintenance workers converging at the administrative building and later joined by 5,000 more out of 8,000 workers hired by the paper firm.

The protest action was the first in PICOP's 30-year history "and-hopefully the last," Santiago commented. He told Brig Gen Jaime C. Echeverria, commanding general of the Regional Unified Command (RUC) in Southern Mindanao the strike would have been shorter by so many days if the strikers ranks were not infiltrated by communist agitators. Echeverria, who visited PICOP Friday afternoon chatted with the workers who told him they are glad they're back to work.

Santiago told the general the strike would have ended sooner if the leaders were not pressured by a communist subversive group. The strike also taught the paper mill's management and labor-and the local subversives--some hard lessons.

One, patience pays in the negotiation. Two, religion is still a dominant factor in the Filipino character, "most of the strikers were visibly touched by a priest who said mass and urged them to get back to work on the evening of January 13."

Three, the Filipino male still holds the Filipina in high regard, "PICOP's women brigade succeeded in appealing to the hearts of the strikers." Between seeing a well-fed family and a communist-inspired starvation spectre, the workers forged a common decision seven days after the strike began: "The NPA agitators will eat us up but we cannot eat communism."

Gen Echeverria said he was glad there was no bloodshed except the near-launching of Adolfo Aure, a local radio station manager, in the hands of communist led strikers. Aure had reportedly urged the strikers to get back to work for the sake of their families.

Paper milling operations went back to normal after the workers were assured the strike would not affect their salaries. They also agreed to share 40 percent of the cost of lost time caused by the protest action.

Gen Echeverria put in the parting shot to the paper firm's management and labor leaders: "Keep the communication lines between you open at all times." (JCA)

CSO: 4200/523

PHILIPPINES

RAMOS ORDERS SPECIAL CRACK FORCE FOR SURIGAO DEL SUR

Davao City PEOPLE'S DAILY FORUM in English 24 Jan 85 p 8

[Text] A crack special force will beef up military units in Surigao del Sur should NPA communist incursions continue in that province.

The decision, reached by Lt Gen Fidel V. Ramos, acting AFP Chief of Staff in consultation with Brig Gen Jaime C. Echeverria, commanding general of the Regional Unified Command (RUC) in the region, was announced in a dialogue with local officials here recently.

Gen Echeverria told officials a number of setbacks suffered by peacekeeping forces assigned in the area seen in ambushes and enemy raids on small detachments have challenged government to deploy a military task force in the province.

This force, the general explained, will be five times stronger than regular fighting units in term of defensive-offensive capability. "And it will not be roadbound," Echeverria stressed.

Surigao del Sur's geographical peculiarity and terrain make it one of the toughest military assignments in the country. (JCA)

CSO: 4200/523



PHILIPPINES

INDUSTRIALIST ADVISES STRIKES NOW CONDUCTED BY AREA

Manila BULLETIN TODAY in English 21 Jan 85 p 21

[Text] More strikes can be expected this year based on the trend in the last couple of months, Raul Concepcion, president and chief operating officer of Concepcion Industries, Inc., said over the weekend.

He said the trend in labor disputes now is strikes that no longer hit individual companies but strikes that are conducted by areas.

He cited the areas of Cainta, South Super Highway, and Pioneer Street in Mandaluyong, Metro Manila, as strike-prone areas.

Multinational companies, even those that pay salaries higher than industry averages, are now being targeted by strikes, he said.

Concepcion did not venture any explanation of this trend in labor disputes but said this a major area of concern now for an increasing number of companies which are already facing a host of difficulties in their operations.

One of the major problems now confronting many companies is the continuing drop in consumer demand for many products.

This continuing trend means reduced revenues to many companies which force them to reduce the level of their operations. (JCC)

CSO: 4200/523

PHILIPPINES

PRESIDENT, LABOR MINISTER ACT IN SUGAR INDUSTRY CRISIS

Marcos Acts To Revitalize Industry

HK211158 Quezon City Maharlika Broadcasting System in English 1100 GMT 21 Feb 85

[Text] President Marcos today reorganized the Philippine Sugar Commission [Philsucom] and converted the government-owned National Sugar Trading Corporation [Nasutra] into a private firm. Upon recommendation of an ad hoc committee, the president acted swiftly to save the sugar industry from inevitable collapse. He also issued Presidential Decree 1,971 to protect the interests of some 4.5 million sugar workers and their families and the worsening peace-and-order situation in the affected areas. [sentence as heard] Added details from correspondent Bert Asuge:

[Begin recording] Issuing the decree, the president declared a grave national emergency in the sugar industry which necessitated its revitalization and rationalization. Opposition members of the Batasang Pambansa hailed the president's move to revitalize the sugar industry by reorganizing the Philsucom and converting the Nasutra into a private corporation. President Marcos pointed out that unless the grave emergency confronting the sugar industry was remedied with dispatch, the sugar industry might altogether collapse and deteriorate to a level beyond economic recovery and thereby adversely affect the national economy.

A study committee created by the KBL [Kilusang Bagong Lipunan] caucus last Tuesday unanimously recommended the approval of the decree which was intended to rationalize the sugar industry by taking into account the promotion of the interests of sugar planters, millers, workers, and consumers alike. The committee was composed of Agriculture and Food Minister Salvador Escudero III, Trade Minister Roberto Ongpin, Labor Minister Blas Ople, NEDA [National Economic Development Authority] Administrator Vicente Valdepenas Jr, Governor Lorenzo Teves of Negros Oriental, and Member of Parliament Homobono Sawit.

The decree converts the Nasutra into a private corporation to be called the Philippine Sugar Marketing Corporation, or Philsumac, which will be the sole marketing agency of the sugar industry and will be wholly owned by sugar producers, planters, and millers in proportion to their actual production. The decree also provides that the Philsucom will be composed of a chairman and eight commissioners, six of whom will be elected representatives of the sugar planters and millers. [end recording]

### President Denies IMF Pressure

HK250408 Manila Far East Broadcasting Company in English 2300 GMT 24 Feb 85

[Text] President Marcos yesterday [24 February] explained the government decision to implement the free trading system for the sugar and coconut industries. He said the moves were based on the recommendations by the National Economic and Development Authority [NEDA], which was approved by the ruling KBL [Kilusang Bagong Lipunan] Party in its last caucus.

The president made the explanation following a strong denial by Economic Planning Minister Vicente Valdepenas of reports that the decision to have free sugar and coconut trading was made due to pressure by the International Monetary Fund. President Marcos said the moves were already being studied by the government even before the negotiations with the IMF were started.

### Government To Relieve Workers' Plight

HK230346 Quezon City Maharlika Broadcasting System in English 1100 GMT 22 Feb 85

[Text] Labor Minister Blas Ople disclosed today that a total of 80 million pesos will be released for the sugar workers who will be laid off after the milling season in April. Added details from correspondent Becky Cabral:

[begin recording] Because of the crisis confronting the sugar industry, a total of 33,000 hectares of plantations have been withdrawn from the industry, and 91,000 hectares more are expected to be withdrawn at the start of the off-season in April.

According to Minister Ople, 50 million of the 80 million pesos will come from the social [word indistinct] fund, 10 million pesos from the sugar act of 1952, and 20 million pesos from standby credit loans.

The release of the 80 million pesos is among a number of measures undertaken by the government to alleviate the plight of the affected sugar workers in Negros Occidental [word indistinct]. There is also a move to extend to the sugar workers who are [words distinct] members a 3-month salary loan which they can use in financing small ventures and other livelihood projects. The other measures projected by the government include long-term strategies which will see the restructuring of the sugar industry; medium-term strategies, which would include project diversification and the harnessing of the potential skim-off industrial by-products of sugar; and a short-term strategy, which requires the implementation of alternative employment schemes or the provision of immediate jobs to displaced sugar workers. [end recording]

### Labor Leaders Want Voice in Policy Body

HK230543 Quezon City Maharlika Broadcasting System in English 0400 GMT 23 Feb 85

[Text] Labor Minister Blas Ople is expected to submit shortly to the president the recommendations made at the sugar industry dialogue held in Bacolod City.

The dialogue was held to cope with the layoff of 250,000 sugar workers by the end of March. Participants in the marathon dialogue proposed the immediate activation of the interagency task force on sugar workers. It was also proposed that planters should allow free use of portions of their land that have been withdrawn from sugarcane production and have not been converted to other crops.

Labor leaders of the sugar industry have also urged the representation of the workingmen in both the Philippine Sugar Commission [Philsucom] and the newly-created Philippine Sugar Marketing Association [Philsuma]. The labor leaders said they have long been assured of representation on the Philsucom board, but until now organized labor has not been included in the setup of the sugar policymaking body. This time, they said, the Philsuma creation provided under a presidential decree should have provided an opportunity to cure the oversight.

CSO: 4200/582

PHILIPPINES

# PAROCHIAL SCHOOL LEADERS WORRY ABOUT INFILTRATION

HK270338 Manila BUSINESS DAY in English 26 Feb 85 p 18

[Text] Catholic school administrators are starting to worry about the "systematic infiltration" of their school's student organizations by "leftist or communist-oriented groups." This fact will become especially crucial in the coming months, they said, because of the new bill amending the Education Act which will increase the role of the studentry in fixing student fees.

The various protest activities, especially against tuition fee hikes, being staged in different campuses nationwide is "not the result of local groups of students getting involved in certain issues," said Fr. Ernesto O. Javier, S. J. president of the Xavier University in Cagayan de Oro City, in a press conference by the Catholic Education Association of the Philippines last week. Rather, he said, it is being "systematically" planned and enacted by student groups which are "infiltrated."

"There seems to be a program in the whole country that on certain months, the issue of commercialization of education is the issue; other times, it's militarization of campuses, then issues of campus publications, student government and so on," Javier explained.

This has led him to suspect that these various issues are not "sporadic local happenings" but rather are political and economic issues that are "coordinated on a systematic, nationwide basis."

Javier said that he had a particular student group in mind, the League of Filipino Students [LFS], which has chapters in the different schools nationwide. When asked if he thought the LFS had any link with the Communist Party of the Philippines, Javier answered: "All I'm told is the National Democratic Front [NDF] has several fronts and it seems that the LFS is the student front of the NDF."

The 1,221 Catholic schools nationwide, however, are actually being berated by the government and military for fomenting such student activities, Javier said. While they concern valid student issues, he said, "it would be tragic if these concerns were to be subverted and exploited to fulfill both ends besides the legitimate aspirations of students for a strong, relevant, Filipino education."

In the proposed education bill amending Batas Pambansa 232 otherwise known as the Education Act of 1982, the tuition fees of each private school will be determined by the school administration, and the representative of the students, parents, faculty and nonteaching personnel elected in accordance with the set of rules to be issued by the education ministry.

CSO: 4200/583

PHILIPPINES

NEW ZEALAND CATTLE IMPORTED DESPITE ECONOMIC ILLS

Wellington THE EVENING POST in English 10 Jan 85 p 11

[Article by David Porter]

[Text] Hong Kong, Today--The arrival of a shipment of New Zealand export cattle in the Philippines this week indicated that New Zealand exporters were trading successfully with that country despite its economic and political difficulties, an official told the New Zealand Press Association from Manila.

The Ambassador to the Philippines, Mr Paul Cotton, was on hand when the second of three scheduled shipments of 800 three-to-five-month pregnant sahiwal friesan heifers sent by Animal Enterprises Ltd of Hamilton, landed in Manila at the weekend.

The company's regional director, Dr Dick Mahoney, told NZPA from Singapore that the Philippines had possibly the greatest potential in South-east Asia for agricultural development-related exports.

The Philippines was less pressured by population than some South-east Asian countries and had relatively more land to develop, as well as having a climate suitable for a range of agricultural development, he said.

Mr Cotton said the Philippines was a good area for dairy cattle and had an ambitious programme for the development of its industry.

Animal Enterprises' involvement, at the beginning of the industry's development, should stand the company and New Zealand in good stead for future shipments, he said.

Last June, Animal Enterprises landed the first shipment of 800, as one-third of an Asian Development Bank-funded contract worth \$NZ3.8 million. The final shipment will be sent later this year.

Record

"While Animal Enterprises has been successful in exporting cattle to many other parts of South-east Asia this (contract) was the first significant sale of New Zealand cattle to the Philippines," said Mr Cotton.

Last year's shipment was landed in the southern Philippines island of Mindanao, and went to a 1000-hectare property being developed by the Philippines Dairy Corporation.

The latest shipment arrived in excellent condition and would spend the next fortnight quarantined south of Manila before being distributed to small-holders around the country.

"The perseverance shown by Animal Enterprises in chasing this contract has been rewarded, and it is pleasing to note the professional manner in which the shipments have been handled," said the ambassador.

After unloading, the ship left for Sabah, Malaysia, with a further 200 head of Animal Enterprises' cattle--the company's third shipment to the small state that is also developing an indigenous industry.

Animal Enterprises has also in the past supplied large numbers of friesians to Indonesia as that country has developed its dairy industry, and some cattle for the transmigration programme to re-settle excess population from the crowded main island of Java to other islands.

But sales fell off last year, and there seemed little likelihood of new contracts in the next six months for the dairy programme, said Dr Mahoney.

There were problems over the distribution and marketing of increased milk production to be resolved, he indicated.

There was also little hope of selling quantities of cattle for the transmigration programme which mostly involved cheaper meat and drought animals which Australia was supplying at a lower price, said Dr Mahoney.

"We produce an up-market animal," he said. But it was hoped that aid programme in which New Zealand had been helping Indonesia would result in New Zealand animals being given consideration when sales eventually resumed.

CSO: 4200/523



PHILIPPINES

GOVERNMENT FIRMS BANNED FROM COCONUT TRADING

Manila BULLETIN TODAY in English 22 Jan 85 p 11

[Article by Samuel Senoren]

[Text] President Marcos has banned government-owned or controlled corporations from directly or indirectly trading coconut products in the world market "unless expressly permitted by law, or by the President of the Philippines."

Instead, he directed government agencies to extend full assistance to coconut farmers or processors who want to set up cooperatives or associations to have better bargaining position in marketing their products abroad.

The directive is contained in the six-page PD 1960 signed Jan 11, 1985 which lifted restrictions in the exportation of coconut oil and authorized all oil millers to directly negotiate sales with foreign buyers.

The President, however, urged both planters and processors to organize themselves into cooperatives or associations to achieve economics of scale.

A cooperative effort, he reasoned, would lead to the following:

1. Avoid the ruinous competition for copra which pushed the coconut oil milling industry to the brink of financial collapse in late 1979.
2. Maximize foreign exchange earnings.
3. Ensure that the coconut farmers receive a fair share of the proceeds from export and/or domestic sales.
4. Assure consuming countries of an adequate and continuous supply of coconut products at fair and reasonable prices.

These objectives were sought to be achieved by the United Coconut Oil Mills which was formed in 1979 at the initiative of the government as an umbrella group for the coconut oil milling sector.

As a result of Unicom's stronger bargaining position, coconut oil enjoyed improved prices in the world market.

Unicom, however, is now being dissolved as part of a structural adjustment program for the coconut industry.

The adjustment program, initiated by the International Monetary Fund and the World Bank, calls for unhampered free trade.

The program, according to the President, is being implemented to enable the country to restructure its external debts.

Under PD 1960, exportation of coconut products is "subject only to such rules and regulations that the Ministry of Trade and Industry, the Central Bank and the Philippine Coconut Authority may prescribe to ensure that coconut products are sold at competitive prices in relation to other fats and oils."

CSO: 4200/523

PHILIPPINES

INFLUENCE OF TAIWAN'S KMT IN MANILA VIEWED

Quezon City ANG PAHAYAGANG MALAYA in English 14 Jan 85 p 3

["Business Views" by Jake Macasaet: "Kuomintang Harassment"]

[Text]

To the powerful Kuomintang Party, communicating with friends or relatives in the People's Republic of China is considered a serious offense. A Filipino-Chinese working for a rubber footwear company, said to be owned by powerful party members in Taiwan, lost his job simply because his friends and relatives were writing letters to him addressed to his office.

The employee whose name we cannot divulge for personal security reasons was working as a night shift watchman for so many years with the KMT-controlled firm. After he passed the CPA examinations with flying colors — he landed in the first 10 — he requested for an office position, obviously believing that he could help the firm grow faster. He was flatly told that there was no position available, but our informant told us that the company was at that time accepting new applications. The poor Chinese, with friends and relatives in the mainland, had to quit.

A certain Uy, who came to the Philippines allegedly through the backdoor (Batanes Island) and who could not speak one word of English or Pilipino, was appointed supervisor. A certain Ching who claimed he worked for the company for 7 years told us that the rubber and footwear company hires key people directly from Taiwan with the visible

assistance, he said, of the powerful Kuomintang Party. By this, he obviously meant that the KMT uses its influence in key Philippine government offices to legalize the stay of the favored Taiwanese. Ching told us that after serving the firm for 7 years, he suddenly found himself working under somebody who, he claimed, was smuggled from Taiwan. He said his new supervisor could not speak Pilipino or English.

Ching further informed us that "the KMT-inspired or owned company ordered the personnel management office to prevent the circulation among the workers of leaflets of the Kilusang Mayo Uno," a militant labor movement. Ching suspects that the new officials of the company hired directly from Taiwan are actually high-ranking intelligence agents of the KMT.

The firm, Ching said, has a sister company in Taiwan which processes the raw materials fed to the firm's operations in the Philippines. These raw materials could very well be produced in the Philippines at lower costs. But they are processed in Taiwan and exported to the Philippines adjunct at ridiculously high prices obviously to facilitate or cover the salting of dollars to Taiwan.

The feud between KMT members and neutral businessmen in the Philippines is said to be getting bitter. We were told that the KMT's top intelligence agents here are provoking strikes in business establishments owned by Chinese who are doing business with the People's Republic of China. It could not be ascertained, however, whether the strike at Allied Bank is KMT-inspired. But everybody in the business community here knows that Lucio Tan, the biggest stockholder in Allied Bank, is an enemy of the KMT. In fact, he has not been to Taiwan during the last five or so years. The KMT has been instrumental in denying Lucio Tan and a host of other Filipino-Chinese businessmen visas to Taiwan. Their crime: They try to do business with China.

Yet, powerful party members are authorized by the Kuomintang to do extensive business with their Red brothers. A certain "K" Yao, for example, is said to be the biggest importer of products from Peking. Yao, according to my informants, is a ranking intelligence officer of the KMT's Asian headquarters now based in Manila.

CSO: 4200/496

PHILIPPINES

'MYSTERIOUS' FIRE RAZES BACOLOD BISHOP'S HOUSE, OFFICES

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jan 85 pp 1, 6

[Article by Edgar Cadagat]

[Text] The huge century-old building housing the Bacolod bishop's palace and social action offices run by the church which were destroyed by fire last week under very mysterious circumstances, will be rebuilt.

And, according to Bacolod's feisty Bishop Antonio Fortich, who said he sensed a "mysterious hand" in the fire, the building would still be rebuilt even if those behind its destruction would decide to ruin it again.

Msgr Fortich, who was in Bangkok when the fire occurred and who is now staying at the Sacred Heart Church compound in Lupit, lamented the fact that his place, which had become a sanctuary for human rights victims, is now reduced to rubble.

The bishop agreed with popular observation debunking the police theory that an untended candle or a short circuit caused the fire. Priests who were at the place said there was no electric power when the fire started.

He made the comments during a visit by members of the Citizens' Alliance for the Restoration of Democracy (CARD), who came to promise help in rebuilding the place.

The internationally known church leader, whose uncompromising stand for human rights has earned him respect and deep affection of Negrenses, added, however, he has already forgiven "the owner of the mysterious hand" behind the fire.

Meanwhile, messages of support for the reconstruction of the Bishop's residence poured in from all over the country.

Most of the promises of help came from simple folk who have at one time or another sought the bishop's help in dealing with problems of poverty and military abuses.

CSO: 4200/496

PHILIPPINES

MEDIA REPORTS ANOTHER HOTEL FIRE IN MANILA

Urban Terrorists Possibility

HK250400 Manila Far East Broadcasting Company in English 2300 GMT 24 Feb 85

[Text] Another hotel fire broke out in the tourist district of Manila. Fire raged through the 21-room Iseva Hotel early today. Police said there were no injuries and no reports of anyone missing in the country's eighth hotel fire in 4 months. Fire officials said they would have to wait until daylight to investigate the cause of the fire in the six-story hotel which broke out at 12:21 a.m. this morning and burned for 1 hour through the hotel's fourth, fifth and sixth floors before firemen put it out.

Police and fire officials and 30 fire trucks rushed to the hotel, which is on a busy intersection one block from the U.S. embassy on Roxas Boulevard. Metroco [Metropolitan Command] Commander Gen Victor Natividad said officials are looking into the possibility that an urban terrorist group may have set at least four of the earlier fires. Gen Natividad said that although most hotels have increased security, the Iseva apparently had only one employee on all-night duty, which was unfortunate. There was not even a security guard.

Three Foreigners Hurt

HK250505 Quezon City Maharlika Broadcasting System in English 0400 GMT 25 Feb 85

[Text] Three foreigners were injured when fire hit another hotel in Ermita early today. The three were taken to the Ospital ng Maynila for treatment of minor burns. Police said that the fire destroyed the fourth, fifth and sixth floors of the one-star Iseva Hotel on Mabini and Padre Faura Streets. The origin of the fire is still being determined.

Three Generals, Metrocom [Metropolitan Command] Chief Natividad and [words indistinct] Narciso Cabrera and Metro Manila Fiore Marshal Dominga Reyes supervised the firemen in putting out the fire. The three also supervised the firemen in providing security and protection for the hotel guests and their personal belongings. Damage was close to 2 million pesos. The fire started at 12:21 this morning and was placed under control an hour later.

CSO: 4200/583

PHILIPPINES

THOUSAND NEGROS FARMERS MARCH AGAINST CHDF

Quezon City ANG PAHAYAGANG MALAYA in English 14 Jan 85 pp 1, 8

[Text] Bacolod City--Some 1,000 farmers from the hinterlands of Cauayan, Negros Occidental, have denounced alleged harassment by ICHDF commander Alfonso Dulla and his men in a recent rally.

Cauayan is one of the towns in what is referred to locally as the CHICKS area, an acronym for the towns in the deep south such as Candoni, Hinobaan, Ilog, Cauayan, Kabankalan and Sipalay. It is the most heavily militarized area in the province as this is where the bulk of the Philippine Army's 7th IB is assigned.

During the farmers' rally, PC soldiers belonging to the 338th PC Company became alarmed and told the crowd to disperse. Speakers at the rally claimed the military harassment has effectively hampered work in the farms.

The subject of the farmers' complaints, Alfonso Dulla, was once given a citation as the best CHDF commander in Negros Occidental for his anti-insurgency activities. Sources told Malaya he commands a unit which has seen the most action against the New People's Army which has a very strong presence in the CHICKS area.

The sources also said Dulla had been the subject of intermittent complaints from the farmers living in the hinterlands of the town because of abuses the unit has committed.

The Task Force Detainees (TFD) has documented several human rights violations attributed to Dulla and his men.

CSO: 4200/496

PHILIPPINES

BRIEFS

REFUGEE CENTER FUNDED--Jacques Terlin, head of the United Nations High Commissioner for Refugees, (UNHCR) bureau for East and South Asia, announced a grant of more than P100 million for the 1985 operations of the Philippine Refugee Processing Center (PRPC) in Morong, Bataan. Terlin also announced the approval of a separate P34 million for the upgrading and rehabilitation of PRPC's physical infrastructure for the next 19 months. [Excerpt] [Manila BULLETIN TODAY in English 22 Jan 85 p 7]

FOREIGN EXCHANGE CURBS EASED--The Central Bank recently increased the amount of foreign exchange that banks may retain from 30 percent to 50 percent of their regular letters-of-credit (L/Cs) so that they would be more flexible in financing imports. The CB also raised the amount of imported capital equipment that banks may finance from \$10,000 to \$50,000 monthly per importer without getting prior approval from the CB. CB Gov Jose B. Fernandez, Jr. said yesterday the monetary board approved the new ceilings last Friday so that banks would have more foreign exchange and flexibility in financing imports. Under the guidelines, capital equipment imports exceeding \$50,000 monthly per importer should be financed preferably out of loans from the Asian Development Bank, the World Bank and other official development assistance (ODA). [Text] [Manila PHILIPPINES DAILY EXPRESS in English 22 Jan 85 p 16]

CHDF-NPA SHOOTOUT IN DAVAO--Two subversive terrorists were killed in a fifteen-minute firefight during an encounter between members of the CHDF under Barangay Captain Ayog of Tamugan and some fifteen armed men believed to be NPA guerrillas at Sitio Awit of Barangay Tamugan, Baguio district, this city last Wednesday at about 10:00 p.m. The slain dissidents were identified only as Alias Jonathan and alias Toto. Also recovered was one caliber .38 pistol belonging to the terrorists which was left at the scene as they fled. No fatalities or wounded were reported on the side of the government forces. The following day, a Marine battalion under Major Elmedencio C. Calixtro also encountered and captured two terrorists at Sitio Agsam, Malabog, Paquibato District, this city. Captured were certain Danny and Julie. Members of the Marines recovered from them a pistolized armalite and other subversive documents. The other dissident, identified only as Rex, was able to escape but was believed to be wounded as evidenced by traces of blood along his trail of withdrawal. [Text] [Davao City PEOPLE'S DAILY FORUM in English 13 Jan 85 p 2]



NORTHERN LUZON NPA DIFFICULTIES--Cagayan PC [Philippine Constabulary] commander [Teoso Cador) says the NPA has lost its mass base in the Cagayan Valley. (Cador) said this is the reason why the dissidents have to resort to atrocities to make their presence felt. Colonel (Cador) was commending on last Wednesday's burning by the NPC of the town hall at Iguig, Cagayan. Meantime, in Baguio City, armed forces region 1 Commander Tomas Dumpit says the NPA morale in this region is being eroded by illness, starvation, and lack of medicines. He said this was revealed by 54 NPA members who had surrendered to authorities in Ilocos Sur, Abra, and Mountain Province since January. One group of surrenderees included 31 women. [Text] [HK230547 Quezon City Maharlika Broadcasting System in English 0400 GMT 23 Feb 85]

ELEVEN 'TERRORISTS' KILLED IN ARMY CLASHES--Eleven terrorists, including two commanders of the MNLF, were killed over the weekend in separate clashes with government troops in the visayas and mindoro. Two of the slain terrorists were identified as Commander Agora and Commander Manggawa. They were killed in an encounter with elements of the (Desang) police station, in (Desang, Lamain), Lanao del Sur. In Zamboanga del Sur, one rebel was killed when he and his companion ambushed three members of the CHDF [Civilian Home Defense Forces]. The three CHDF members who were not identified in the report, escaped unhurt. [Text] [HK250832 Quezon City Maharlika Broadcasting System in English 0800 GMT 25 Feb 85]

COMMUNIST TERRORISM ON RISE--A Regional Command officer says the communist insurgents have stepped up terrorist activities in northern Mindanao this year. (Triumfo) Agustin, regional commander in charge, said that from 1 January to 23 February, the Regional Command recorded a total of six raids on military detachments and police stations. He said that the terrorists also conducted 7 ambushcades and 15 liquidations of soldiers, policemen, and civilians in northern Mindanao. He said this resulted in the deaths of 11 military men and 21 civilians and wounded 30 others. Agustin said on the part of the rebels, 19 were killed and an undetermined number wounded. He said the most significant among these activities were the attempts on the lives of (?60) regional commanders, of [words indistinct] De Guzman and the raid on the townhalls of Bunawan and Esperanza in Agusan Del Sur. [Text] [HK270540 Quezon City Maharlika Broadcasting System in English 0400 GMT 27 Feb 85]

CSO: 4200/583

MILITARY AFFAIRS AND PUBLIC SECURITY

MOPED THIEVES APPREHENDED IN HO CHI MINH CITY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Nov 84 p 4

[Article by T.H.: "Fifth Precinct Apprehends Gang That Stole Mopeds Through Trickery"]

[Text] (SGGP) Recently, many victims have arrived at public security offices to report that a gang using pretty girls as a lure had stolen their moped. Following many days of surveillance to determine their method of operation, cadres and soldiers of the 5th Precinct's robbery investigation unit arrested the entire gang: Ly Van Dieu, Nguyen Van Nam, Nguyen Hong Quan and Vo Thi Mong Hoa. Their ploy was to have Vo Thi Mong Hoa stand along deserted stretches of road or on dark corners, ask someone passing by on a moped for a ride and then direct that person to a prearranged place where her accomplices were waiting to steal the moped. Everyone in the gang has a history of prior arrests and convictions and practically all of them have spent time at re-education camps. They confessed to having stolen seven mopeds of various types in October 1984 alone.

On the basis of their statements, the 5th Precinct robbery investigation unit broke up an organization that specialized in refurbishing and selling stolen mopeds, arresting Duong Dinh Chuc, who lives on Le Hong Phong Street in the 24th Subward of the 5th Precinct, and Le Anh Tuan, and reclaiming a Vespa Sprint that they had bought from the moped thieves. This moped, which has the number 084606 on its motor and two numbers on its frame (one of which is newly engraved), 085232 and 138830, is now being held at the robbery investigation unit of the 5th Precinct. It can be reclaimed by its owner once proper identification has been presented.

7809

CSO: 4209/199

## INTERNATIONAL RELATIONS, TRADE AND AID

### VIETNAMESE YOUTHS WORK, STUDY AT VOLGA AUTOMOBILE PLANT

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 9 Jan 85 p 3

[Article by A. Vorob'yev, the newspaper's staff correspondent, reporting from Togliatti: "Volga Automotive Plant Workers From the Mekong"]

[Text] The U.S. Department of State presented Congress with a report on the so-called "Use of Vietnamese Workers in the USSR." It contains the most inexcusable lies about the training, work and life of young people from fraternal socialist Vietnam who are working at Soviet enterprises.

Refuting this slander is not a difficult task.

And so here I am, on assignment by the editors, at the Volga Automotive Plant, where, in accordance with an intergovernmental agreement between the USSR and the SRV, young Vietnamese men and women are studying and working.

The conference hall of the press-forging production unit was festively decked out. Vietnamese melodies were playing from the loudspeakers. There were posters on the walls with messages of greetings. Many people were holding flowers.

"Today we are initiating Vietnamese citizens as our workers," said V. Cherkasov, the production unit's deputy director. Turning to the Vietnamese, he continued: "You, esteemed citizens of Vietnam, have successfully passed your examinations and become qualified as stamping machine operators. In accepting you into our collective, we wish that you may master all the advanced methods and techniques of labor in order that you may later become leading specialists in your homeland."

Then, to stormy applause, the Soviet workers presented their friends with souvenir booklets and flowers.

"We won't forget this day," Nguyen An Tu said with emotion. "Thanks to your help and concern, we have become real specialist workers. We will take pride in this title, and we assure you that we will justify it with honor. Let our great friendship grow stronger!"

Now these joyous days are already behind for the young people who have become workers; for those who have newly arrived, they lie ahead. The "old timers" have been distributed among brigades in the press-forging and body-assembly production units. The best mentors have been chosen. Special seminars are held for them.

Now it is no easy matter to tell a Soviet worker from a Vietnamese worker on the production line: All of them wear uniform checked shirts and elegant coveralls with the VAZ [Volga Automotive Plant] emblem on them. Furthermore, they have the same manner of filling the body of the future light truck with all its attributes--deftness with a certain dash and, in the case of the girls, gracefulness of movement. Only their pitch-black hair and the dark complexion of their faces gives away the inhabitants of a country located in the subtropics.

I took a look in the pay records: The brigades work on the basis of a single contract, and wages are distributed according to the VAZ pay system. For some Vietnamese workers they are sometimes very high. Vietnamese workers voluntarily send 10 percent of their earnings to their homeland to be put into a fund for the building of socialism in their country.

I met Vietnamese workers right on the assembly line. Brigade No. 311 on the body-assembly line. Reticent Nguyen Thi Ziep was working briskly alongside of our girls. She is 20 years old and comes from South Vietnam. Her father is an office employee in [Tamky Province], and her mother is a worker. She has been in Togliatti a half year. She passed her exam for the second skill category and is preparing for her exam for the third. She has already mastered five operations.

Nguyen told me all this herself, with just a little help from her Russian girl friend Lida. One doesn't get bored in Togliatti. It is a very beautiful city. People are kind and help her in every respect. And there is so much interesting work and so many interesting amusements!

And here is Fam Van Fong, a welder in Shop No. 42-2. He is from Hanoi. His parents, who are Communists, and three younger brothers--Fam, Ngok and Lam--live back home. This is the first time in his life he has seen snow. He wrote home that this snow is not frightening at all--Soviet people treat their Vietnamese brothers with exceptional warmth. Growing agitated, he told about his brigade:

"Last year I didn't say a word to anyone when I turned 20. But on precisely that day the entire brigade, led by foreman Aleksandr Aleksandrovich Nikonov, came to congratulate me. They said many good words and presented me with gifts. Evidently that's the way Soviet people are--sensitive and responsive. Many thanks to everyone who teaches, serves and guides us here. Here in Togliatti the brotherhood of the Soviet and Vietnamese working class is being forged."

The visitors from the fraternal country are surrounded with warmth and concern in every brigade. Sometimes this concern is even touching. For example, young Soviet women from the 161st brigade knitted warm hats for the visitors

for whom they have responsibility. And the Russian winter did not seem frightening to their friends from Vietnam, Nguyen Thi Suan and Nguyen Thi Tam.

The SRV citizens' dormitory is located in the very center of the city's Automotive Plant Rayon, which has long been called Avtograd. Right close by is the large Saturn Cinema. Several trolleybus stops away is the Palace of Sports, where hockey games are played and performances are frequently given by "stars" not just of the Soviet but of the world variety stage. Across the street are stores, a restaurant and cozy cafes.

The rooms in the dormitory are doubles, comfortable and furnished with good furniture. For every two rooms there is a housekeeping unit consisting of a refrigerator, electric range, cupboard with dishware, bath, etc.

In room No. 204, which I chose at random, the occupants told me how they spend their time after work. Tours, cultural walks, readers' conferences, Vietnamese and Russian movies. Recreational evenings are very interesting. They have formed their own Friendship vocal and instrumental ensemble, with their own female vocalist: Nguyen Thi Khien. Their set of modern musical instruments was donated by their sponsors--the press-forging production workers. Their countrymen come to visit from other cities in the Soviet Union.

I asked them how things were with respect to regular vacations. It turns out that they even have an advantage over Soviet workers: The Vietnamese take their vacations only in the summer. One of the plant's best tourist bases--the Usinka--has been set aside to serve them. The plant trade-union committee allocates 74 vacation vouchers a month. The cost is subsidized: 10 rubles, 80 kopecks. They may go home once every three years, and on these occasions an additional month is added to their regular vacation.

They did not even want to talk about the State Department's fabrications. They made them laugh. What the gentlemen from the U.S. Department of State like least of all is the fact that worker brotherhood between representatives of two socialist countries is growing stronger here. That is why they lie.

8756

CSO: 1807/ 178

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI CARRIES MORE WORLD RESPONSE TO 1979 WAR

BK191541 Hanoi Domestic Service in Vietnamese 1430 GMT 17 Feb 85

[Text] Under the title "Invincible Vietnam Is Not a Myth," the Italian newspaper IL MESSAGGERO, in its 13 March 1979 issue, wrote: 17 days after the Sino-Vietnamese conflict, Vietnam's invincibility has become clearer than ever before. This is truth and not a myth.

The AFRICAN OBSERVER magazine, in its August 1979 issue, clearly analyzed: No matter what China may say, its war of aggression has failed to destroy the legend about Vietnam's military might. On the contrary, the exploits of the Vietnamese Army, especially of its border defense units and militia forces, have created a deep impression. Despite the crafty selection of the time for their so-called self-defense counterattack and despite all the sacrifices made by their troops and people, the Chinese authorities have perhaps lost more than they gained.

Specifically describing this setback by China, the American daily WALL STREET JOURNAL commented graphically on 6 March 1979 that after calculating the losses and gains of the punitive blow, the world can come to the unanimous conclusion that China has had to pull out of the war with its prestige injured, its face bloodied, and its body covered with wounds. Indeed, if the war continued, what would those 2 and 1/2 weeks prove? They prove that Vietnam stood firm and counterattacked vigorously.

Refuting the claim that China has won, the French newspaper LE FIGARO said on 15 March 1979: China's invasion of Vietnam did not achieve its objective; and obviously, there was no lesson for Vietnam. At no time did Vietnam feel the danger of being crushed. All the measures taken by Vietnam--such as general mobilization and declaration of an alert--displayed the Vietnamese people's determination. Had China's adversary been punished, how could it have retaliated so swiftly?

The British magazine THE ECONOMIST bluntly said in its 10 March 1979 issue: China learned a painful lesson in Vietnam, and it was Vietnam that taught powerful China a lesson. Despite the implicit encouragement given by the United States during Deng Xiaoping's U.S. trip late last year and despite the experience derived from the defeat sustained by the United States in its 30-year war of aggression against Indochina, U.S. expertise could not help China at all.

CSO: 4209/244

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

CSSR-SRV FRIENDSHIP GROUP--On the occasion of the 55th CPV founding anniversary and the 35th anniversary of the establishment of Vietnam-Czechoslovakia diplomatic relations, the Czechoslovak-Vietnamese Friendship Society held a meeting on 19 February at the Prague International Relations Headquarters office with staffers of our embassy in Czechoslovakia. Comrade (Halupa), chairman of the Czechoslovak-Vietnamese Friendship Society read a letter from the society to the Vietnam-Czechoslovakia Friendship Association praising the glorious achievements in the past 55 years of the CPV whose founder, the late President Ho Chi Minh, was a son and great leader of the Vietnamese people and a great friend of the Czechoslovak people. He highly valued the achievements scored in the fine relations and cooperation between the two countries and reaffirmed the full support of the party, government, and people of Czechoslovakia for the Vietnamese people in their nation-building, national defense, and struggle for peace and security in Southeast Asia. [Text]  
[Hanoi Domestic Service in Vietnamese 1100 GMT 22 Feb 85]

CSO: 4209/244

## PARTY ACTIVITIES AND GOVERNMENT

### LAND REFORM ACCORDING TO CHINESE MODEL

Bonn DIE WELT in German 15 Jan 85 p 5

[Article by Thomas West: "Conflicts and Cliques in Hanoi's Leadership"]

[Text] Three commemorative days were observed in Vietnam in 1984 which turned out to be similarly conflicting, as is the overall situation in Vietnam today: first, the victory over the French in Dien Bien Phu which ended the first Indochina War and led to the Geneva Conference and the French withdrawal (1954); secondly, the beginning of the Second Indochina War (1964) which dragged on with disastrous losses until 1973 (Treaty of Paris); and finally, the fifth year anniversary of the Vietnamese invasion of Cambodia, an injury that has become pivotal in the overall foreign policy and in domestic policy, in part.

The situation in Vietnamese domestic policy as it has existed for years was glaringly illustrated by that document which has become famous--the Open Letter of the Party Director of Propaganda, Nguyen Khac Vien, of 21 June 1984, in which the five major failings of the Vietnamese leadership during the past six years have been listed. Listed are: 1) a type of jumping-the-gun mentality in the economic planning, 2) preference for compliant but mediocre officials, 3) the Communist Party's constant interference in state and economic administration, 4) the overestimation of the SRV's own influence in foreign policy, and 5) the reluctance to punish politicians responsible for the failures in the years subsequent to 1975.

Although just seven days later the Central Committee forbade all open criticism of the party, it felt compelled to action. The jumping-the-gun type of policy was already corrected in September 1979 through the agricultural reform act. The shortcomings of numbers two and three were dealt with in a threefold list of measures which was aimed especially at improving the cadre structure. First, there was a comprehensive "membership action" which originally took place in 1980 at the 50th anniversary of the founding of the VCP but which was systematically extended by this time. In the end at least 86,000 cadres fell victim to the cuts because, it was reported, they had had attitudes damaging to the party on that day. South Vietnam was the undoing of the majority of the functionaries now excluded from the VCP. Even if they had shown devotion and self-sacrifice up until 1975, then it seemed as if all at once there were no holds barred



in the enticing "rich" south. The corruption which set in at this point was fed additionally by the extremely insufficient salaries that the government employees were receiving. In 1984, a government employee received a monthly salary of merely 300 dongs which, at the time, was only valued at all of two American dollars on the black market!

In foreign policy, Vietnam has rigidly committed itself to two fateful basic policies from which, for the time being, it is apparently thoroughly incapable of being diverted, namely in its ties to the Soviet Union and the "special relations" with Cambodia and Laos.

In domestic policy on the other hand, the inner-party struggle goes further. It can be characterized by three key issues: inner rank disputes, conflicts over choice of successors in view of the gentrification of the Central Committee apparatus, and nepotism.

On the surface, the Vietnamese leadership appears to be the model of unity as always; however, behind the facade, things have been seething for a long time. Protagonists of both of the main political groups are Le Duan and Truong Chinh, the number one and two of the governing elite. There have already been differences between the two on land reform (1953-56) and on strategy regarding the then Republic of South Vietnam. Chinh advocated radical collectivization and basically political measures (guerrilla warfare in South Vietnam). On the other hand, Duan supported compromises in the collectivization and pleaded for a more conventional war strategy--in the end, he prevailed on both points.

It was also Duan who, in September of 1979 at the Central Committee, carried through the decision that has become well-known in the meantime. It is the "6th Act" which introduced reforms characterized by the three expressions: "contract system," material incentives, free cooperative marketing of surplus goods. This time also, Chinh gave in only with reluctance and is waiting for his chance which, at any rate, will not be so swift in coming since the reform has led to surprising surpluses. In 1983, for the first time in decades, Vietnam achieved grain autarky by having 300 kg per person per year and thus pulled off a kind of "small economic wonder."

In the meantime, the old men in the Politburo have set up lifelines throughout the government to secure their course for the future. Party Leader Le Duan filled the posts of head of the armament governing body and the political governing body in the army general staff with two of his relatives. His eldest son is the de facto Chief of the Secret Police and his step-brother, Tran Lam, is the main director of propaganda. Furthermore, his brother heads the Nguyen Ai Quoc Institute which has been granted a kind of keeper of the Grail of Vietnamese communism function. Le Duan's step-son controls the Vietnamese air force and, at the same time, his step-son's wife is Party Secretary in the Ben Tre province. As long as the old opponents are still alive, very little will change in the present course.

12348

CSO: 4620/21

ECONOMIC PLANNING, TRADE AND FINANCE

PRODUCERS URGED TO DEVOTE GREATER EFFORTS TO QUALITY CONTROL

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 9 Nov 84 p 2

[The Campaign To Improve Product Quality column by Dong Truong, legal cadre, Warehousing and Shipping Corporation Number 2, the Ministry of Home Trade: "Some Thoughts on Improving Product Quality Within Production-Business Units"]

[Text] Ho Chi Minh City, whose hundreds of industrial enterprises, which produce more than one-fourth the total industrial, small industry and handicraft output of the country, make it one of the country's industrial centers, produces a wide variety of goods supporting socialist industrialization and serving consumer and export needs every hour of every day.

Today, under the light of the resolution of the 6th Plenum of the 5th Party Central Committee, the question of product quality within the city is emerging as an issue of pressing importance. Product quality is formed and determined first by the structure and style of a product, by the production plan...of each production-business unit. On the other hand, it is a legitimate demand of the consumer. In circulation-distribution, market management and the field of prices, this issue is always a hot topic.

During the past several years, our party and state have been especially concerned with and promulgated many legal documents concerning this issue, such as Premier's Decision Number 195-TTg dated 7 July 1973 on controlling the quality of products and merchandise; Council of Ministers' Decision Number 26-CP dated 21 February 1974, which promulgated the quality control statutes of state-operated industrial enterprises, the purpose of which is to heighten the responsibility of the enterprise in maintaining and constantly raising its product quality; and Council of Ministers' Decree Number 62-CP dated 12 April 1976, which promulgated the product and merchandise quality control statutes, the purposes of which are to give the state exclusive control over the quality of products and merchandise, make quality a legal norm within the production and business plan and tie prices to product quality. Beginning with decree number 62-CP, the quality of products and merchandise has been governed by nationwide control and management standards, become one of the legal norms of the state in the production-business plan and been closely linked to prices.

However, in actuality, we still hear many customers say that a product they purchased at a certain store broke after they had been using it for a while (sometimes even broke the first time it was used) and they had no choice but to return it to the store where it was purchased. At some places, such returns can be made easily, but there are also places where the customer faces more than a few difficulties. Thus, a problem arises and must be resolved in the relationship between the customer and the store; however, to what degree the person who sold the product and the person who made the product are responsible is a question that is rarely raised.

Ordinarily, every product produced at production-business units is inspected, evaluated, certified and tested by the quality control section (KCS) of the enterprise. But why do poor quality products still reach the hands of consumers? Each of us realizes that producing a product of poor quality is a senseless waste of labor, supplies and energy, reduces labor productivity, reduces the confidence that the consumer has in the product and reduces the returns from capital borrowed from the bank. Clearly, if we conceive of quality control as a management activity designed to supervise, evaluate and regulate product quality in accordance with economic-technical targets and specific requirements, our quality control work is still marked by many shortcomings in everything from the way it is organized to the methods by which it is performed and the specifics involved in quality control. The scientific and legal bases upon which quality control work is performed are not strong. Quality Control is, to some extent, a matter of form and divorced from the other activities that occur within the structure of the enterprise's production and business.

In our opinion, once the state has adopted specific regulations on controlling and improving product quality, the enterprises and production-business units must incorporate them within the regulations governing their organization and production-business activities. That is, each product must be governed by economic-technical quotas and standards and by specific industrial regulations. While these products can be produced to conform with state standards, sector standards or local standards, their quality must be reflected in the production plan, in the product's price and in a policy for investing in the development of production along progressive lines.

When product quality is made part of the production plan itself, the conditions are created for correctly raising and resolving the whole question of product quality. In economic relations, in distribution and circulation and in economic ties with other units, product quality must be recorded within contracts and be considered a mandatory contract clause. Many production and business units are still giving light attention to this matter. The product quality clauses of many economic contracts are still general and vague, still lack detail and clarity. Therefore, economic contract performance inspections and the resolution of economic contract disputes by economic arbitration units on the state, sector and local levels play a practical role in both raising consciousness and enforcing the law. The realities of economic arbitration show that, in some cases, it is both difficult to define and difficult to satisfactorily resolve every issue that arises in disputes over product quality. For example, consider the case of a unit whose function it is to control the sources of agricultural products through procurements, products

that include the soybeans raised in western Nam Bo. This is a product that is managed, procured and distributed exclusively by the state. However, the product quality standards of the state and the sector for this product are incomplete. Consequently, when procuring this product from farmers, this unit grades the beans it buys on the basis of the unit price stated on the invoice for payment. In trade, such a practice is acceptable. However, when this product is turned over to another unit for transportation, many legal problems start to arise. Even more confusing are disputes that occur over product quality as a result of the way products are stored during transportation. The agency that bought the beans can prove what the quality of the beans was by the unit price it paid for them, by inspection certificates and so forth. However, the transport unit simply denies that any of this is true. As a result, confronted with damage to the product, the economic arbitration agency must assess the responsibility of each side on the basis of state law while giving due consideration to actual procurement practices and the difficulties that units face when qualitative standards have not been set or uniformly applied throughout the country, when sector standards have not been adopted and when local standards are unsuitable.

To insure that products are produced in exact accordance with qualitative standards and meet the requirements of consumers, all levels of management must truly attach importance to technical inspections and quality control inspections. On the state level, our specialized agency is the Department of Standards-Weights and Measures-State Quality. Similar organizations have been established on the local and sector levels. This work must be organized well throughout the production process. At production-business units, the quality control section is an independent organization that is directly subordinate to the unit manager and receives legal, professional and technical guidance directly from the quality control agency on the upper level. It is our thinking that these units must truly concern themselves with training a corps of quality control cadres who bring an objective and serious attitude to their work, are impartial and do not do whatever they see fit. In addition, these cadres must be given appropriate authority and held personally accountable for fulfilling certain obligations. Importance must be attached to establishing fair rewards and penalties for these cadres. At present, the various bonuses and incentives that have been put in place within units are geared mainly toward direct production workers. Here, we would like to suggest the possibility of rewards and penalties for those individuals whose function it is to control product quality.

Improving the quality of products is an important prerequisite to increasing the efficiency of social production, developing the economy and improving the standard of living of the people. Therefore, we must consider it important to teach every worker to take pride in the product he produces and draw more and more people into the struggle to produce products of the highest possible quality.

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CSO: 4209/199

## ECONOMIC PLANNING, TRADE AND FINANCE

### POOR QUALITY OF MATCHES BLAMED ON ANTIQUATED EQUIPMENT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13 Nov 84 p 2

[Article by Vo Han Lam: "Many Well Coordinated Measures Needed To Correct the Problem of Poor Quality Wooden Matches"]

[Text] Editorial Note: In the campaign to improve the quality of the industrial, small industry and handicraft products of the city organized by SAIGON GIAI PHONG Newspaper, we have received numerous letters from readers containing observations, opinions and criticisms regarding product quality. Recently, Mr Huynh Cong Ky, who lives on Thuy Xuong Street in Nha Trang, Phu Khanh Province, sent a letter to SAIGON GIAI PHONG Newspaper complaining about some products produced within the city that are of very poor quality, such as wooden matches, the Bach Tuyet, Cuu Long and Dong Tam brands of fragrant soap, a number of bicycle parts, lightbulbs, thermos bottles and so forth.

Mr Ky had quite a bit to say about the wooden matches: "...Of the matches that were distributed under the label of the Dragon (and some other animals I couldn't make out) to cadres, workers and civil servants during the 3rd quarter of 1984, no more than 30 percent of them ignite when struck. When it's raining or damp, very many of them fail to ignite..."

We met with Duong Cong So, deputy director of the Lumber-Match Combine, Nguyen Thuy Tien, chief of the Industrial Technology Office, Nguyen Viet Thieng, chief of the combine's Quality Control Office and Truong Van Duoc, deputy director of the Hoa Binh Match Factory, to discuss this problem. Below are the main contents of the discussion that we had with them:

Comrades, we have recently received numerous reports from consumers about the poor quality of matches. As the unit that has the monopoly in match production in the South, what is the thinking of your enterprise concerning this problem?

--We thank your readers and SAIGON GIAI PHONG Newspaper for the constructive opinions they have contributed to the Lumber-Match Combine. And, before we begin, let us say that we accept our share of the responsibility for the failure to maintain product quality.

You are referring to such problems as matches that are difficult to light, striker boards that easily peel off, match tips with nothing on them and broken match sticks?

--Yes, what consumers have been saying is entirely correct. In late 1983, we produced one batch of products that was of poor quality. The main reason for this was that the "a giao" used to make matches was of extremely poor quality. It did not adhere well, did not spread well...consequently, the bulb of the match became a hard lump and was difficult to ignite. We call this problem "hard head." Because the match has a "hard head," the striker board is easily ripped off when matches are struck against it...

Did the enterprise inspect its raw materials before using them in production?

--Of course, all of our raw materials are tested by the enterprise's quality control section before being used in production. The "a giao" is checked even more closely because every batch we receive from the factory is of a different quality, so, it must be tested to determine which formula to use.

Then why did your enterprise use this material in production even though it was known to be of poor quality?

--Actually, when we discovered that the "a giao" was of very poor quality, we tried out many different formulas and tested each one many times. However, the product we produced only met minimum standards. Our shortcoming was that we failed to accurately judge by how much the quality of the matches would deteriorate after they had been in storage for a while and how little value the matches would have by the time they reached the hands of consumers.

And this was the extent of the enterprise's responsibility?

--Yes, we took a look at ourselves and saw that we had been too lax with regard to quality control in the face of our difficulties with supplies and raw materials. However, we also faced a serious dilemma. Without the "a giao" supplied to us by an associated factory under a quota set by the ministry, we could not maintain production, our workers would be without work and many negative phenomena would arise. And, as you know, the workers of the match sector are encountering very many difficulties in their everyday lives because ours is a sector of secondary importance and is "low on the list" of priority among the sectors of light industry.

However, with the exception of the combustible material, are not practically all of the raw materials used by the match sector produced domestically?

--That's true, except for the combustible material, practically all of the raw materials used to make matches are produced domestically. However, we are not experiencing many difficulties with imported raw materials, most of our difficulties are with domestic materials, such as wood. Since the start of this year, the Dong Nai Match Factory has been idle about one-half of the time and the Hoa Binh Match Factory has been idle about one-fourth of the time. There were many reasons for this, including power failures and equipment breakdowns, but the main cause was the shortage of wood.

Your matches are made from pine wood, but there is no shortage of pine in our country, is there?

--Actually, the best wood for matches is the wood from "bo" trees (in the northern provinces) or eucalyptus wood (in the southern provinces). Due to the increasing scarcity of eucalyptus wood, we have been forced to use pine instead. However, we do not receive straight grained pine that meets specifications. We are only supplied with wood of inferior quality, wood that has a knarled grain, wood that is sometimes dry and hard and sometimes contains too much sap. With such wood, it is impossible to meet the requirements of product quality, the requirements of a self-contained, automated production line. The poor quality of wood is why match sticks easily break when in the packaging machine, why the percentage of discarded match sticks is so high, why there is a great deal of waste...

And what about the problem of matches not having heads or the heads being uneven in size, some large, some small?

--The reason for this is that the racks used to hold the match sticks being dipped into the compound are bent, consequently, the heads of some match sticks are too large, some are too small and some have no heads at all. Because the racks are very old, we have tried to let this work out on contract but, so far, not one unit has been able to meet requirements.

So, there is no way for your factories to improve the quality of wooden matches?

--As we said, through our production in late 1983, we came to see our responsibility with regard to maintaining the quality of wooden matches. As a result, we launched a movement among workers and named 1984 the year of product quality. We began by studying ways to improve the formulas used to make the match tip and increased the amount of combustible material used. We also held talks with the factory that produces "a giao" about improving the quality of that material. Our technical, industrial and quality control cadres regularly check on machines during production shifts, providing workers with guidance and correcting their mistakes. Each stage of work, each semi-finished product is closely inspected. The quality control section conducts an inspection once every 2 hours. The workers at each stage of production are also responsible for inspecting the semi-finished product received from the previous stage. Whenever it is noticed that product quality is not being maintained, the inferior products are discarded, the production line is stopped and the problem is corrected.

We have also been paying more attention to machine repair. On our day off each week, mechanics and maintenance workers disassemble and clean machines, repair the bent racks used to dip match tips...

At the same time, we have contacted the various functional sectors and suggested that they take stronger steps to maintain product quality during storage, distribution and circulation, take stronger management measures, prevent the manufacture of fake matches...

Have we cracked any of the cases involving the manufacture of fake matches?

--Many such cases have been solved. But there are still some brands of fake matches on the market, such as the Black Cat brand, the Two Currencies brand and the Goalie brand (the enterprise went out of production 3 or 4 years ago).

Has your combine given thought to importing equipment and spare parts?

--We tried to make arrangements to import spare parts but because our machinery is so old, the machines that we use are not even being made by the country that first manufactured them. Although we have foreign currency to spend, we have been unable to locate spare parts to import. The only other option we have is to boldly invest in new equipment. Following the adoption of the resolution of the 6th Plenum of the 4th Party Central Committee and Decision 25/CP, we boldly suggested to the sector that it permit our combine to establish ties with friendly units for the purpose of importing equipment. In the end, however, this proposal was not acted upon.

Surely the resolution of the 6th Plenum of the 5th Party Central Committee will enable your combine to solve the problem of quality control once and for all?

--With the improvement of the management system and the increased independence given to the enterprise, it is our hope that, in the spirit of Resolution Number 6, the Lumber-Match Combine will not only resolve the problems described above, but also correct some things that are unreasonable, such as the current price (a box of matches costs only 0.7 dong at a time when the price of many production materials is rising). Only in this way can we stabilize and improve the quality of wooden matches and meet the requirements of consumers.

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## AGRICULTURE

### HANOI REPORTS ON CURRENT CROP PESTS NATIONWIDE

OW230921 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Feb 85

[Text] According to the Vegetation Protection Department's notice, over the past days rice blast has developed strongly and affected rice seedlings and the fifth month-spring rice crop in the northern provinces. The infection density has reached 10 percent and even up to 50 percent in some areas of Nghe Tinh Province. Rice blast has spread widely in the central coastal provinces, stunting the crowns of rice plants here and there. In particular, from 3,000 to 4,000 hectares of rice fields in Quang Nam-Danang and Nghia Binh Provinces have been affected.

In the Mekong Delta provinces, rice caseworms have ravaged as many as 55,000 hectares, with a density of 5-7 insects per square meter. In Dong Thap Province, they have developed to epidemic proportions in more than 20,000 hectares. In the central coastal provinces, they exist with the average density of 6-10 insects per square meter in winter-spring rice fields.

Meanwhile, in the northern provinces, rice stem borers have also developed intensely. Moreover, rice leaf beetles, rice gall flies, army worms, and rice planthoppers have ravaged rice plants in many areas. *Cirphis salebrosa* have also developed in corn fields while black cutworms have affected tobacco plants.

It is forecast that rice caseworms will continue to cause damage in the central provinces, butterflies will appear in great numbers toward the end of February, and rice blast will continue to affect large areas. In the northern provinces, rice blast will continue to ravage the early rice crop; stem borers will metamorphose into chrysalides; and rice leaf beetles and armyworms will continue to ravage rice seedlings and plants. For this reason, these provinces should strictly follow the growth of stem borers at the roots of rice plants to accurately determine the second metamorphosis of butterflies.

Nghe Tinh Province in particular should strictly prevent and eradicate rice blast in the early rice fields while the southern provinces should concentrate on eliminating rice blast on the leaves of rice plants to prevent it from affecting their ears and on eradicating rice caseworms, stem borers, and rice gall flies in areas where the infestation density is high.

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END